EU MARKET SURVEY 2004

Sanitary ware and ceramic tiles

CBI

Centre for the Promotion of
Imports from developing countries

EU MARKET SURVEY 2004

Sanitary ware and ceramic tiles

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October 2004

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PART B
EXPORT MARKETING GUIDELINES: ANALYSIS AND STRATEGY

Update of EU Market Survey Sanitary Ware and Ceramic Tiles (October 2004).

REPORT SUMMARY

This EU market survey profiles the EU market for Sanitary Ware and Ceramic Tiles. The emphasis of the survey lies on those products, which are of importance to developing country producers. Consequently, this market survey covers the following three groups of sanitary ware:

- Sanitary ware made of plastics such as baths, showers, washbasins, bidets, lavatory pans, seats and covers, flushing cisterns of plastics;
- Ceramic sanitary ware such as sinks, wash basins, wash basin pedestals, baths, bidets, lavatory pans, flushing cisterns, urinals and similar sanitary fixtures;
- Sanitary ware made of iron or steel such as baths shower basins and washbasins.

The tiles discussed in this survey consist of the following two groups:

- Unglazed ceramic flags and paving, hearth or wall tiles;
- Glazed ceramic flags and paving, hearth or wall tiles.

Special attention is paid to market developments in the Netherlands, Austria, Belgium, the United Kingdom, Germany and France. Although these countries do not necessarily represent the markets with the highest consumption levels in the EU (consumption is higher in Italy and Spain), they do form the top six importers of sanitary ware and ceramic floor/wall tiles in the EU and also have the largest sales in the Do It Yourself (DIY) segment of the market. These countries, therefore, appear to present the best market opportunities for exporters from developing countries.

According to Eurostat data, the total value of EU consumption in 2002 of sanitary ware and ceramic tiles amounted to € 4,852 million and € 6,546 million respectively. The largest markets for sanitary ware and ceramic tiles in the EU are Italy, Spain, Germany, the United Kingdom and France.

The market can be split into two segments: the professional market and the private market. The professional market tends to strive for efficiency, while respecting official quality standards. Low (purchasing) price is an important factor determining demand, thus making the professional market a potential buyer of low and mid-range products. Exceptions to this general rule are the bathroom boutiques and prestigious projects. The private market is covered to a large extent by sales through Do It Yourself (DIY) outlets. The DIY-market is a potential buyer of products in the low and mid price ranges. Over recent years the volume of sales through the DIY channel has increased and continued moderate growth is expected in the future. This growth will be at the cost of trade through other channels. For the past decade, DIY shops in the Netherlands have on average increased their sales by eight percent per year. Present market share of the DIY outlets in the private market is about 75 percent, while the bathroom boutiques have a share of about 25 percent.

The market for sanitary ware and ceramic tiles has reached a stage of market maturity with household penetration at saturation level. Demand for sanitary ware and ceramic tiles is therefore influenced by general economic conditions as well as the number of new houses built and old houses renovated. The most fashionable motifs are momentarily taken from nature. Out in the marketplace, those products with a design inspired by nature are the most successful. In demand are products whose surfaces reflect natural stone but that do not necessarily replicate the original exactly. A close look at the trends in floor tiles indicates that the leading colours are beiges, browns, anthracite, black and, above all, shades of terracotta. A relatively new development is the high tech look. Tiles in black and white or pale colours with geometrical figurations and sometimes combined with other materials like mirror and metal inlays. The preferred colour for wall tiles is white, especially combined with blue. Combinations of white and Mediterranean colours such as yellow and green are nonetheless being seen more frequently now. There is currently a move back to using loud colours in decor and these are gaining ground on pastels.

In 2002, total EU imports of sanitary ware and ceramic tiles reached a volume of 5,960 thousand tonnes, which represented a value of € 5,134 million. Germany is the largest EU importer of sanitary ware and ceramic tiles, with imports valued at € 1,090 million. The most important developing countries in supplying EU imports, after Turkey, are China, Egypt, South Africa, Morocco, Thailand, Tunisia and Croatia.

In the period 2000 - 2002, imports of sanitary ware have increased by 25 percent in value and by six percent in volume. Approximately one-third of imports came from outside the EU, with developing countries accounting for approximately 20 percent of total EU imports of sanitary ware. The segment of ceramic sanitary products constituted the largest share of EU imports of sanitary articles, followed by the group of plastic sanitary.

In contrast, imports of ceramic tiles declined by a few percentage points between 2000 and 2002. Of total imports by EU countries, 11 percent was sourced from outside the EU, two thirds of which in developing countries. The vast majority of imports are glazed tiles as opposed to unglazed tiles.

Both sanitary ware and ceramic tiles are mainly sold through the wholesale channel, through which products are subsequently sold to installers. The percentage of sales through this channel accounts for up to 90 percent of sales in most European countries. Relatively new trade channels that are becoming important are the DIY channel and the "bathroom boutiques". Another channel is represented by the installer with his own showroom or shop. In most cases, these small companies buy directly from the manufacturers or importers.

Based on market developments and access requirements discussed in part A, part B develops a set of export marketing guidelines. It is demonstrated how information is to be used to identify opportunities in the market, and how these have to be evaluated against the capabilities of the company. The information collected should then be combined into a SWOT (Strengths, Weaknesses, Opportunities, and Threats)-analysis on the basis of which a decision to export can then be taken. The last chapter discusses relevant marketing tools that can be used to increase the chances of success. Finally, the appendices contain a number of addresses that may be useful for companies developing their export strategy and researching their target market.

This report should be read in conjunction with other CBI-publications. Additional information can be found on the CBI-website.

INTRODUCTION

This CBI survey consists of two parts: EU Market Information and EU Market Access Requirements (Part A), and Export Marketing Guidelines (Part B).

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Chapters 1 to 8 of Part A profile the EU market for sanitary ware and ceramic tiles. The emphasis of the survey lies on those products, which are of importance to developing country suppliers. The major national markets within the EU for those products are highlighted. Furthermore statistical market information on consumption, production and trade, and information on trade structure and opportunities for exporters is provided.

Chapter 9 subsequently describes the requirements which have to be fulfilled in order to get market access for the product sector concerned. It is furthermore of vital importance that exporters comply with the requirements of the EU market in terms of product quality, packaging, labelling and social, health & safety and environmental standards.

After having read Part A, it is important for an exporter to analyse target markets, sales channels and potential customers in order to formulate export marketing and product strategies. Part B therefore aims to assist (potential) exporters from developing countries in their export-decision making process.

After having assessed the external (Chapter 10) and internal environment (Chapter 11), the (potential) exporter should be able to determine whether there are interesting export markets for his company.
In fact, by matching external opportunities and internal capabilities, the exporter should be able to identify suitable target countries, market segments and target product(s) within these countries, and possible trade channels to export the selected products (Chapter 12).

Chapter 13 subsequently describes marketing tools which can be of assistance in successfully achieving the identified export objectives.

The survey is interesting for both starting exporters as well as well as exporters already engaged in exporting (to the EU market). Part B is especially interesting for more experienced exporters starting to export to the EU and exporters looking for new EU markets, sales channels or customers. Starting exporters are advised to read this publication together with the CBI's Export planner, a guide that shows systematically how to set up export activities *and the interactive tool on the CBI website 'Export marketing plan'*.

This market survey covers sanitary ware made of plastic, ceramic and steel. Tiles will be discussed by end usage, covering flags and paving, hearth or wall tiles, and in glazed and unglazed form.

PART A

EU MARKET INFORMATION AND
EU MARKET ACCESS REQUIREMENTS

1 PRODUCT CHARACTERISTICS

1.1 Product groups

The sanitary ware articles discussed in this survey consist of the following three groups:
- Sanitary ware made of plastics such as baths, showers, washbasins, bidets, lavatory pans, seats and covers, flushing cisterns of plastics;
- Ceramic sanitary ware such as sinks, wash basins, wash basin pedestals, baths, bidets, lavatory pans, flushing cisterns, urinals and similar sanitary fixtures;
- Sanitary ware made of iron or steel such as baths shower basins and wash basins.

The tiles discussed in this survey consist of the following two groups:
- Unglazed ceramic flags and paving, hearth or wall tiles;
- Glazed ceramic flags and paving, hearth or wall tiles.

1.2 Customs / statistical product classification

On January 1, 1988 a unified coding system was introduced to harmonise the trading classification systems used worldwide and to allow for improved international comparability of foreign trade statistics. This system, the Harmonised System (HS), is based on a ten digit product classification.

A six-digit list of the product groups is presented below. These product groups can be further divided into sub-groups on a ten digits basis.

Table 1.1 HS-code classification of sanitary ware and ceramic tiles

Sanitary ware made of plastics such as baths, showers, washbasins, bidets, lavatory pans, seats and covers, flushing cisterns of plastics	
Baths, showers and washbasins, of plastics	392210
Lavatory seats and covers, of plastics	392220
Bidets, lavatory pans, flushing cisterns and similar sanitary or hygiene products, of plastics	392290
Ceramic sanitary ware such as sinks, wash basins, wash basin pedestals, baths, bidets, lavatory pans, flushing cisterns, urinals and similar sanitary fixtures	
Ceramic sinks, wash basins, wash basin pedestals, baths, bidets, lavatory pans, flushing cisterns, urinals and similar sanitary fixtures of porcelain or china (excl. soap dishes, sponge holders, tooth-brush holders, towel hooks and toilet paper holders)	691010
Ceramic sinks, wash basins, wash basin pedestals, baths, bidets, lavatory pans, flushing cisterns, urinals and similar sanitary fixtures (excl. of porcelain or china, soap dishes, sponge holders, tooth-brush holders, towel hooks and toilet paper holders)	691090
Sanitary ware made of iron or steel such as baths shower basins and wash basins	
Sinks and wash basins of stainless steel	732410
Baths of cast iron	732421
Baths of steel sheet	732429
Sanitary ware, including parts thereof (excl. cans, boxes and similar containers of heading 7310, small wall cabinets for medical supplies or toiletries and other furniture of chapter 94, and fittings, complete sinks and wash basins, of stainless steel, complete baths and fittings	732490
Unglazed ceramic flags and paving, hearth or wall tiles	
Unglazed ceramic tiles, cubes and similar articles, for mosaics.	690710
Unglazed ceramic flags and paving, hearth or wall tiles	690790

Glazed ceramic flags and paving, hearth or wall tiles	
Glazed ceramic tiles, cubes and similar articles, for mosaics	690810
Glazed ceramic flags and paving, hearth or wall tiles	690890

Note: For a full description of the Harmonised Commodity Description and Coding System please refer to the RAMON Eurostat Classifications Server at http://europa.eu.int/comm/eurostat/ramon.

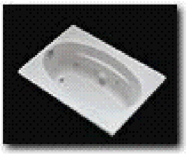
Sanitary ware made of plastics

In this Market Survey the product group sanitary ware made of plastics consists of:

- Plastic baths, showers and washbasins (HS 392210)
- Plastic lavatory seats and covers (HS 392220)
- Plastic bidets, lavatory pans, flushing cisterns and others (HS 392290)

Examples of sanitary ware products made of plastics are:

1. Acrylic bath



2. Acrylic shower receptor

3. Acrylic shower receptor

4. Acrylic lavatory seat and cover

Ceramic sanitary ware

The product group ceramic sanitary ware consists of:

- Ceramic sanitary of porcelain or china (HS 691010)
- Ceramic sanitary (HS 691090)

Examples of ceramic sanitary ware products are:

1. Bathtub incl. legs

2. shower tray

3. Washbasin

4. Wash stand

5. Toilet combination

6. Wall toilet

7. Bidet

8. Urinal

9. One piece toilet

Sanitary ware made of iron or steel
The product group sanitary ware made of iron or steel consists of:
- Stainless steel sinks and wash basins (HS 732410)
- Cast iron baths (HS 732421)
- Baths of steel sheet (HS 732429)
- Large sanitary of stainless steel (HS 732490)

Examples of sanitary ware products made of iron or steel are:

1. Cast iron bath

2. Sink

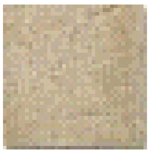
3. Wall toilet

4. Urinal

Unglazed ceramic flags and paving, hearth or wall tiles
The product group unglazed ceramic flags and paving, hearth or wall tiles consists of:
- Unglazed ceramic mosaic tiles (incl. cubes etc.) < 7 cm (HS 690710)
- Unglazed ceramic flags and paving, hearth or wall tiles > 7 cm (HS 690790)

An example of an unglazed ceramic tile is:

1. Floor tile ultragres
(15 cm x 15 cm)



Glazed ceramic flags and paving, hearth or wall tiles
The product group glazed ceramic flags and paving, hearth or wall tiles consists of:
- Glazed ceramic mosaics tiles (incl. cubes etc.) < 7 cm (HS 690810)
- Glazed ceramic flags and paving, hearth or wall tiles > 7 cm (HS 690890)

Examples of glazed ceramic tiles are:

1. Wall tiles 20 cm x 25 cm

2. Floor tiles 20 cm x 20 cm

3. Wall tiles 25 cm x 33 cm

4. Floor tiles 30 cm x 45 cm

5. Floor tiles 40 cm x 40

2 INTRODUCTION TO THE EU MARKET

The European Union (EU) is the current name for the former European Community. Since 1 January 1995 the EU has consisted of 15 member states. Ten new countries joined the EU in May 2004. They are the Czech Republic, Estonia, Slovak Republic, Cyprus, Latvia, Lithuania, Malta, Romania, Poland and Hungary. Negotiations are in progress with a number of other candidate member states. In this survey, the EU will be referred to as the former EU-15, unless otherwise stated.

Table 2.1 Population and GDP of selected and new EU countries, 2003

Countries	Population *million*	Age 15-64 *%*	GDP (€) *estimation 2003*
Selected EU countries			
Germany	82.4	67.0	24,407
France	60.4	65.1	24,318
UK	60.3	66.3	24,495
Italy	58.1	66.9	23,699
Spain	40.3	68.0	19,455
The Netherlands	16.3	67.8	25,291
New EU countries			
Poland	38.6	70.0	9,727
Estonia	13.4	67.5	10,877
Czech Republic	10.2	70.9	13,884
Hungary	10.0	69.0	12,292
Slovakia	5.4	70.8	11,761
Lithuania	3.6	68.4	9,904
Latvia	2.3	69.2	8,931
Slovenia	2.0	70.6	16,183
Cyprus	0.8	67.4	14,149
Malta	0.4	68.5	6,263
Currencies			€, UK £, DKr, SKr
Exchange (2003)			€ 1 = US$ 1.13

Source: The World Factbook 2003

Within Western Europe – covering 15 EU member countries, Iceland, Liechtenstein, Norway and Switzerland – more than 20 million enterprises are active. Small and medium-sized enterprises (SMEs) accounted for the lion's share. In 2000, the average turnover per enterprise of SMEs and large enterprises amounted to € 600,000 and € 255 million respectively.

EU Harmonisation

The most important aspect of the process of unification (of the former EC countries), which affects trade, is the harmonisation of rules in the EU countries. As the unification allows free movement of capital, goods, services and people, the internal borders have been removed. Goods produced or imported into one member state can be moved around between the other member states without restrictions. A precondition for this free movement is uniformity in the rules and regulations concerning locally produced or imported products. Although the European Union is already a fact, not all the regulations have yet been harmonised. Work is in progress in the fields of environmental pollution, health, safety, quality and education. For more information about harmonisation of the regulations visit AccessGuide, CBI's database on European non-tariff trade barriers at www.cbi.nl/accessguide

Monetary unit: Euro
On 1 January 1999, the euro became the legal currency within twelve EU member states: Austria, Belgium, Finland, France, Germany, Italy, Ireland, Luxembourg, The Netherlands, Spain, and Portugal. Greece became the 12th member state to adopt the Euro on January 1, 2001. In 2002 circulation of euro coins and banknotes replaced national currency in these countries. Denmark, United Kingdom and Sweden have decided not to participate in the Euro.

The most recent Eurostat trade statistics quoted in this survey are from the year 2002. In this market survey, the € is the basic currency unit used to indicate value.

Trade figures quoted in this survey must be interpreted and used with extreme caution. The collection of data regarding trade flows has become more difficult since the establishment of the single market on 1 January 1993. Until that date, trade was registered by means of compulsory customs procedures at border crossings, but, since the removal of the intra-EU borders, this is no longer the case. Statistical bodies like Eurostat cannot now depend on the automatic generation of trade figures. In the case of intra-EU trade, statistical reporting is only compulsory for exporting and importing firms whose trade exceeds a certain annual value. The threshold varies considerably from country to country, but it is typically about € 100,000. As a consequence, although figures for trade between the EU and the rest of the world are accurately represented, trade within the EU is generally underestimated.

Furthermore, the information used in this market survey is obtained from a variety of different sources. Therefore, extreme care must be taken in the qualitative use and interpretation of quantitative data, both in the summary and throughout the text, as also in comparisons of different EU countries with regard to market approach, distribution structure, etc.

For more information on the EU market, please refer to the CBI's manual Exporting to the European Union.

Table 2.2 Exchange rates of EU currencies in US$, 1998-2004

Country	Currency	1999	2000	2001	2002	2003	April 2004
European Union	€	1.063	0.920	0.900	0.946	1.125	1.176
Denmark	Dkr	0.14	0.12	0.12	0.13	0.15	0.16
Sweden	Skr	0.12	0.10	0.10	0.10	0.12	0.13
United Kingdom	GB£	1.61	1.52	1.44	1.50	1.63	1.82

Source: CBS Statline

Selected countries

The survey emphasises the specific situation of six European countries. These countries are the Netherlands, Spain, Italy, the United Kingdom, Germany and France. The main two reasons for selecting these specific countries is that they are the top six importers of sanitary ware and ceramic floor/wall tiles in the EU from developing countries and that these countries have the largest sales in the Do It Yourself (DIY) segment. For more information on the EU market, please refer to the CBI's manual Exporting to the European Union.

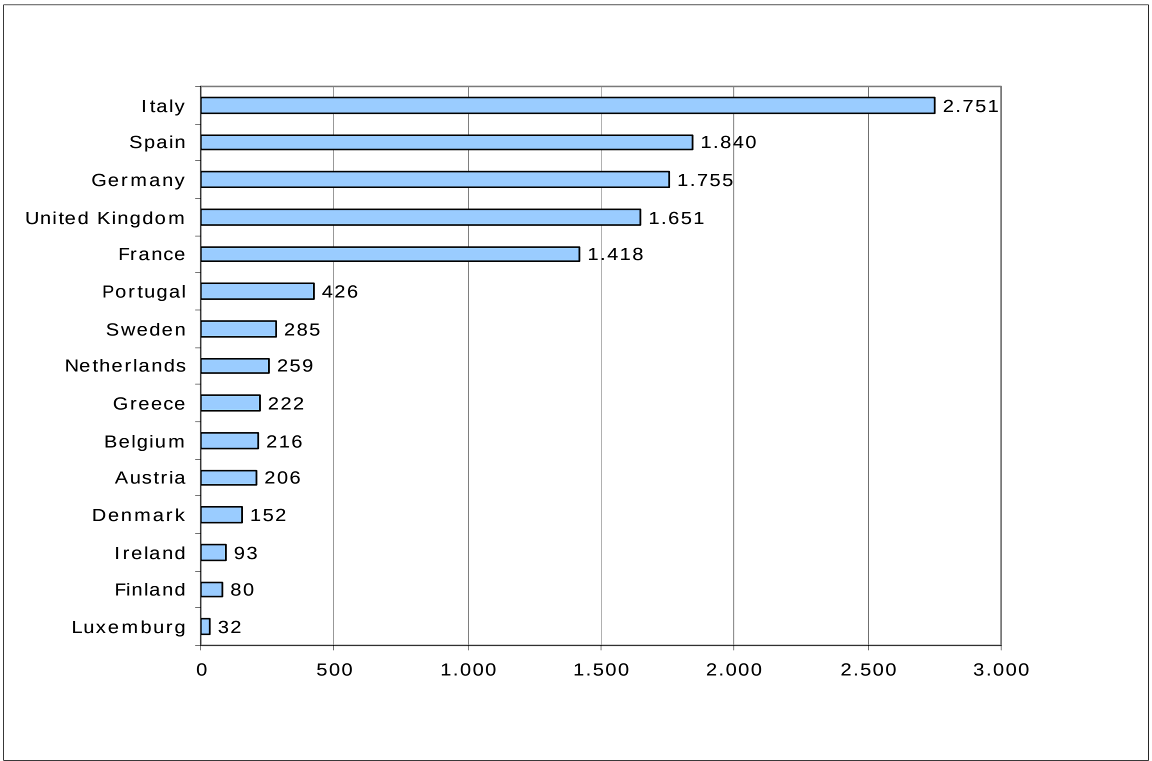
3 CONSUMPTION

3.1 Market size

The European Union is one of the world's leading markets for sanitary ware and ceramic tiles. Both the total size of population and the strong economy are major causes for this predominance. With a population of 454 million people, the enlarged European Union has an abundant availability of potential end-users.

Eurostat data on the value of consumption in 2002 are presented in the table below. These data should be treated with caution since the presented (apparent) consumption levels are derived from production and trade data. Moreover, as not all trade within the EU is registered, national consumption is overestimated in those cases where a country sells substantial parts of its production in relative small quantities within the EU. Given that a large part of the European ceramic tile industry is situated in Spain and Italy, consumption figures for these countries are the most likely to be overestimated. According to Eurostat data, the total value of EU consumption in 2002 of sanitary ware and ceramic tiles amounted to € 11,398 million.

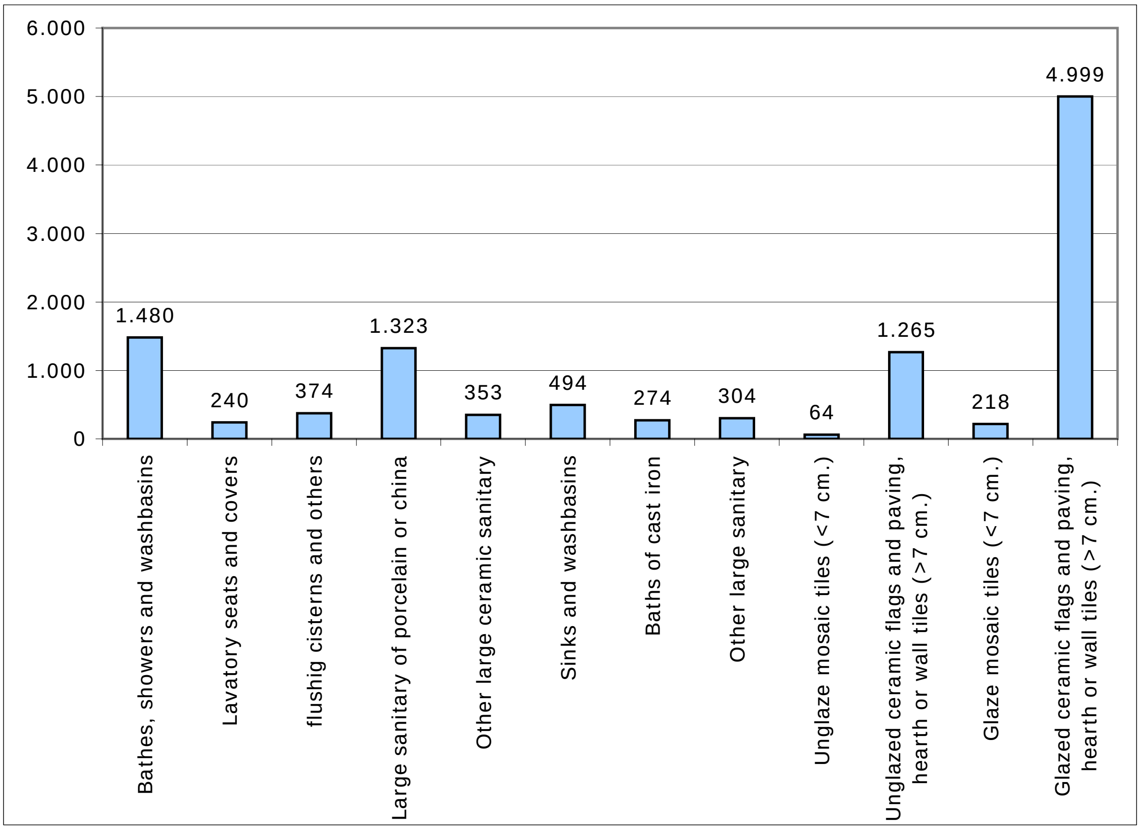
Figure 3.1 Estimated sanitary ware and ceramic tile consumption, 2002 (million €)



Source: Eurostat (2004)

The market for sanitary ware and ceramic tiles can be divided in twelve distinct product groups, based on the HS codes described in chapter 1. The product group Baths of steel sheet (HS 732429) is not included in this market survey since its size is very small. Of the twelve product groups, the group of glazed ceramic flags and paving, hearth or wall tiles > 7 cm (HS 690890) is by far the largest, comprising nearly 45 percent of the total market. Figure 3.2 gives an overview of the size of each product group.

Figure 3.2 Market size of different product groups, 2002 (million €)



Source: Eurostat (2004)

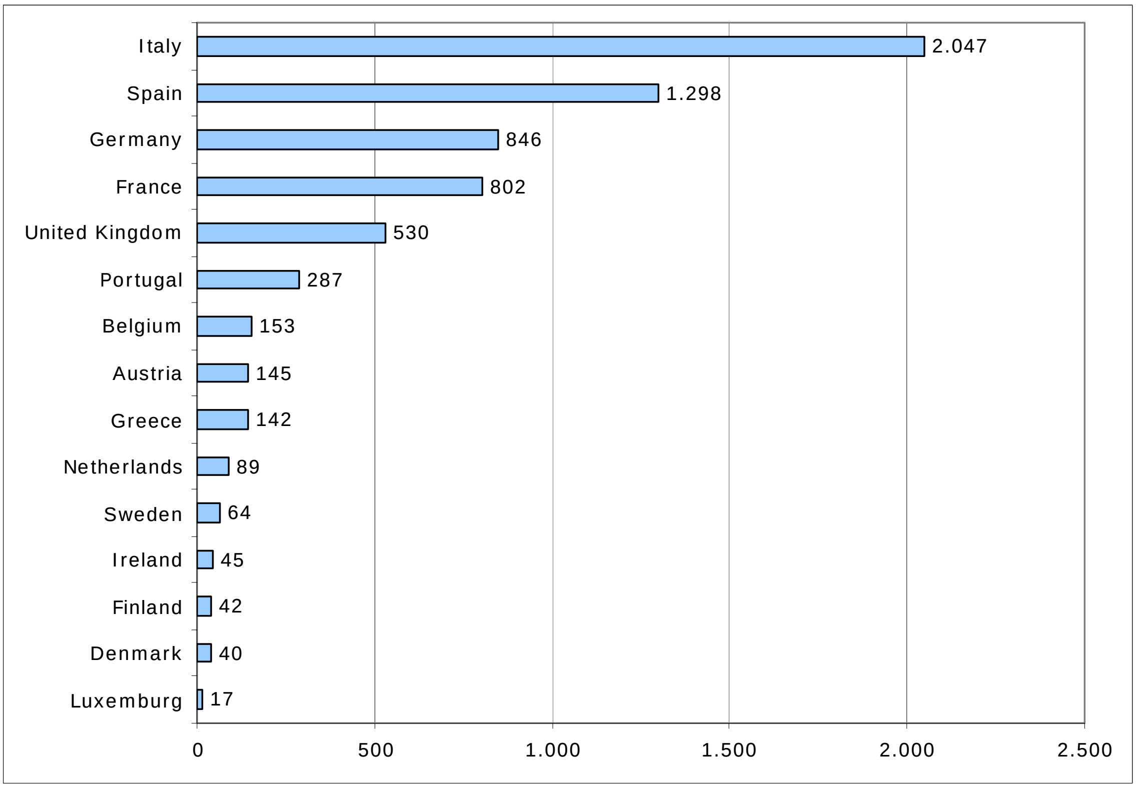
Ceramic tiles

Consumption data of ceramic tiles are scarce and scattered across resources. Sources are sometimes contradictory; hence the picture presented in this document must be treated with caution.

Overall, the European ceramic tile industry has a strong control of its internal market. Data for 2002 indicate that only 4.8 percent of European consumption is satisfied by imports from third countries. Consumption of ceramic tiles amounted to € 6,546 million. The largest markets for ceramic tiles in the EU are Italy, Spain, Germany, France, and the United Kingdom.

Consumption data from other sources draw a different picture of national consumption levels. Caution should be exercised though when comparing data, as the underlying definitions and calculation methods may differ.

Figure 3.3 Estimated European ceramic tile consumption, 2002 (million)

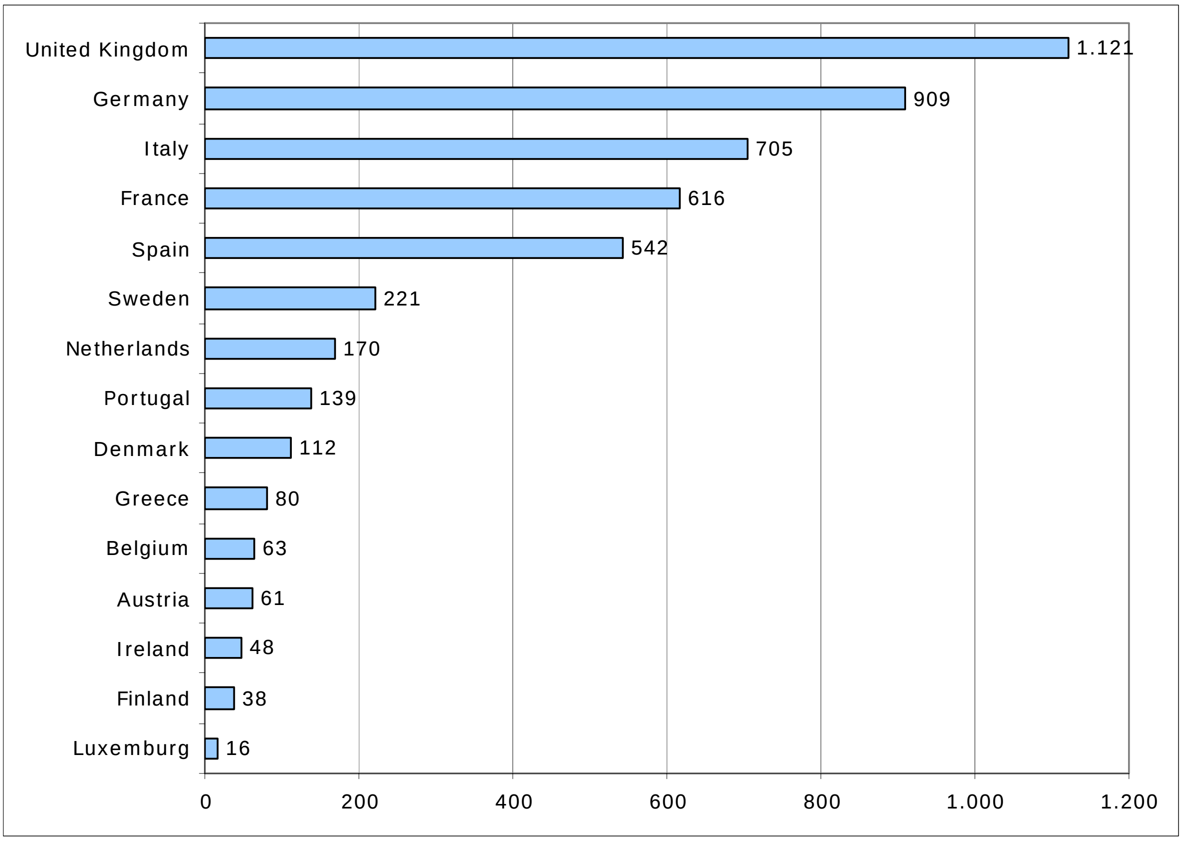


Source: Eurostat (2004)

Sanitary Ware

Consumption data of sanitary ware are similarly scarce and scattered across sources. The largest markets in Europe for sanitary ware are the United Kingdom, Germany, Italy, France and Spain. Eurostat data on consumption for the year 2002 are presented in the table below. Again, the data should be treated with caution since the presented (apparent) consumption levels are derived from production data and trade data. Moreover, as not all trade within the EU is registered, national consumption is overestimated in those cases where a country sells substantial parts of its production in relative small quantities within the EU. According to Eurostat data, total EU consumption of sanitary ware amounted to € 4,842 million in 2002.

Figure 3.4 Estimated European sanitary ware consumption, 2002 (million €)



Sources: Eurostat (2004)

As will be elaborated in section 3.2 below, the main two markets for sanitary ware and ceramic tiles are the professional market and the private market. The professional market is strongly dominated by products that must adhere to certain national or international quality standards. More information on these requirements can be found in part B of this report.

Germany

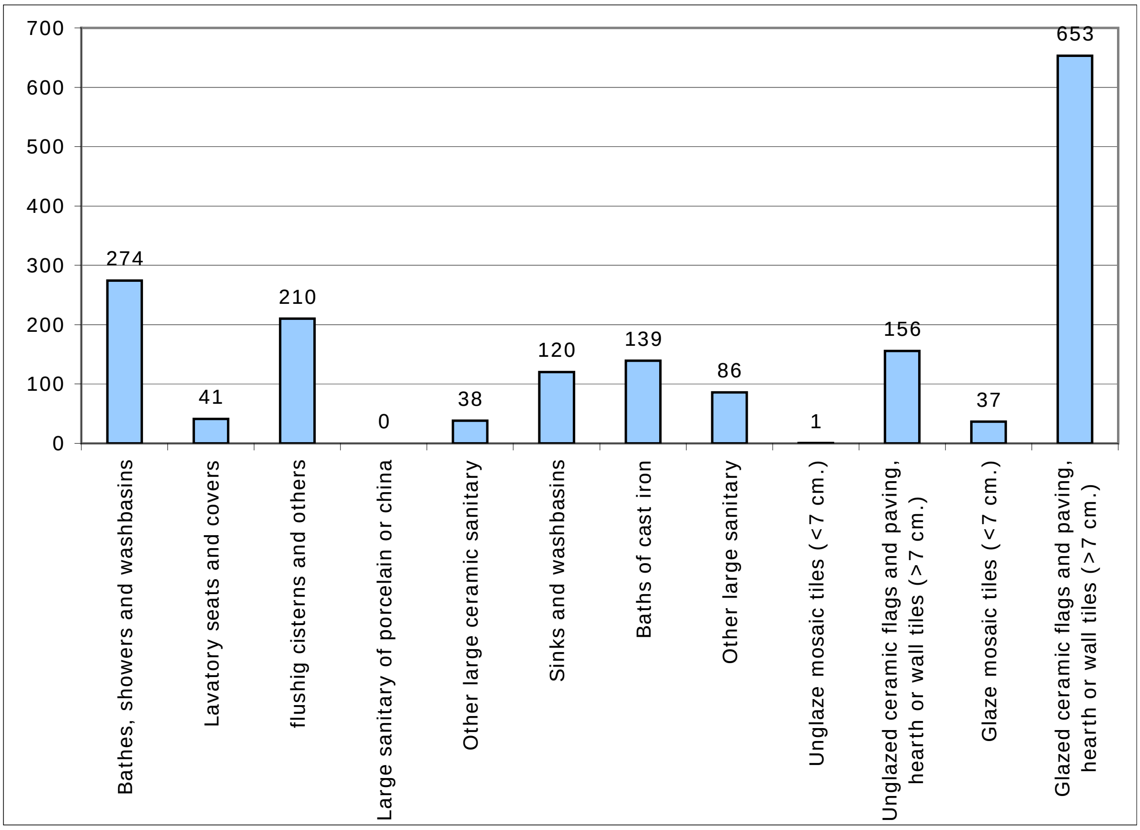
Consumption of ceramic tiles and sanitary ware in Germany is the second highest in Europe. It also has by far the largest DIY sales market in Europe. However, due to the economic recession, the construction industry shrank with almost six percent in comparison to 2001. Although less dramatically negative figures are expected for 2003 and 2004 (minus 1.6 and minus 0.8 percent respectively), growth is not foreseen for the coming years.

Concerning baths and shower trays, acrylic products are preferred over steel products. Approximately two third of all baths sold are made of acrylic and one third are steel products. For shower trays the division is roughly 80/20 (80 percent acrylic, 20 percent steel).

As for toilet types, customers in Germany nowadays prefer wall-hung toilets with a shallow pan. This type has been developed in Germany and has spread out to other countries where it is gaining popularity.

Based on Eurostat data, when compared to 2000, nearly all product groups have decreased in size in 2002. The only exceptions where growth has taken place are glazed ceramic flags and paving, hearth or wall tiles (>7 cm.) and other large ceramic sanitary with growth rates of 8 and 77 percent respectively.

Figure 3.5 Estimated consumption of sanitary ware and ceramic tiles in Germany, 2002 (million €)



Source: Eurostat (2004)

Since Eurostat data on consumption are not very accurate, the value of the information contained in figure 3.5 derives primarily from the comparison of relative sizes of the product groups rather than their absolute value. Please refer to figure 3.3 and 3.4 for an estimate of the total German market size.

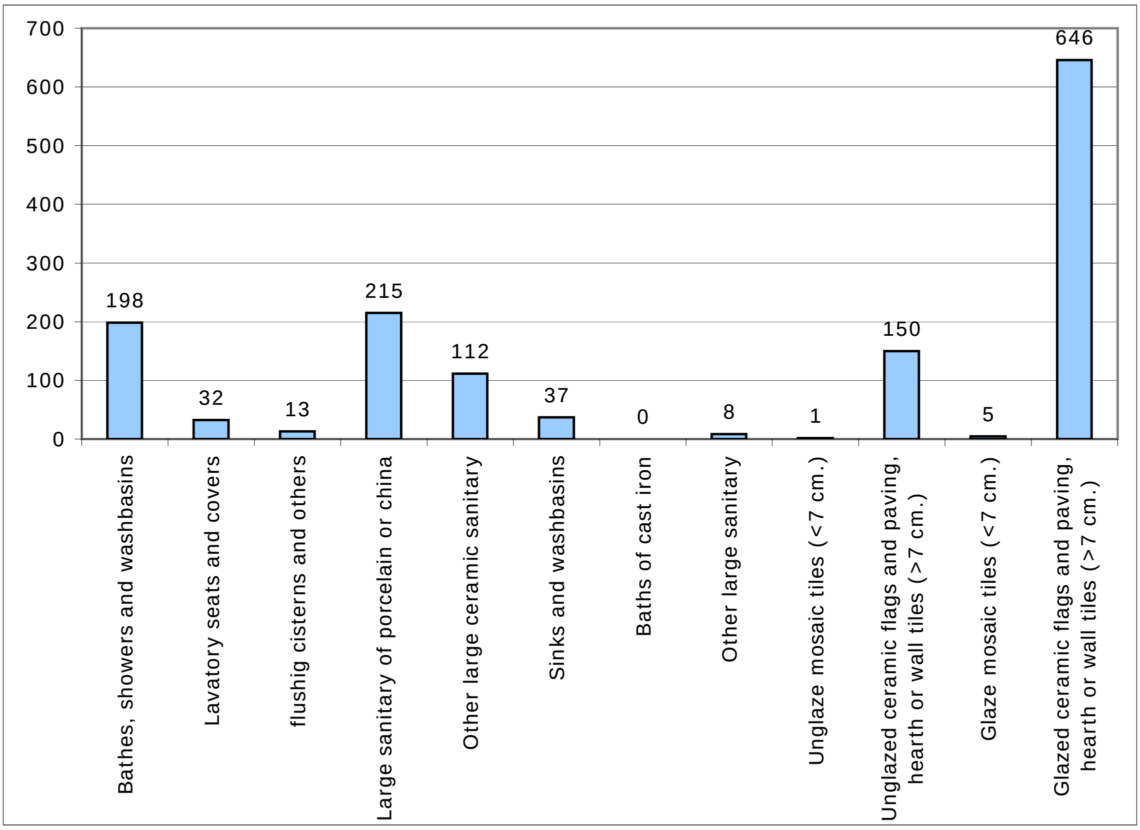
France

France is the second largest DIY sales market in Europe. For the professional market, it should be noted that the French construction sector as a whole decreased slightly in 2002. For 2003, a further decrease is expected, although slow recovery is expected for 2004.

For baths, French customers have a strong preference for acrylic products. Especially acrylic baths are popular in France, whereas iron steel baths show a zero figure. Ceramic sanitary is preferred over plastic.

As for toilet types, customers in France nowadays prefer wall-hung toilets. In public applications the ceramic “French” toilet (a ceramic tray with footholds and waste outlet) is loosing market share but is still in use. France is the only country among the selected national markets where bidets are frequently sold. It is estimated that around 25 percent of French households have a bidet.

Figure 3.6 Estimated consumption of sanitary ware and ceramic tiles in France, 2002 (million €)



Source: Eurostat (2004)

The information in figure 3.6 should be used to compare the relative, but not absolute, sizes of product groups. For estimates of the total French market size, refer to figure 3.3 and 3.4.

United Kingdom

The UK is the third largest DIY sales market in Europe. For the professional market, it should be noted that the UK construction sector showed the highest growth figure in Europe, amounting to 8.4 percent in 2002. For 2003, a further increase of 5 percent is expected, followed by an increase of two percent in 2004.

Approximately 80 percent of all baths sold in the UK are acrylic and 20 percent are made of steel sheet. Almost all shower trays sold in the UK are made of acrylic, and of these some 75 percent are made of “polyconcrete” and 25 percent are made of “methacrylic”. UK consumers have a general preference for baths although showers are gaining in popularity.

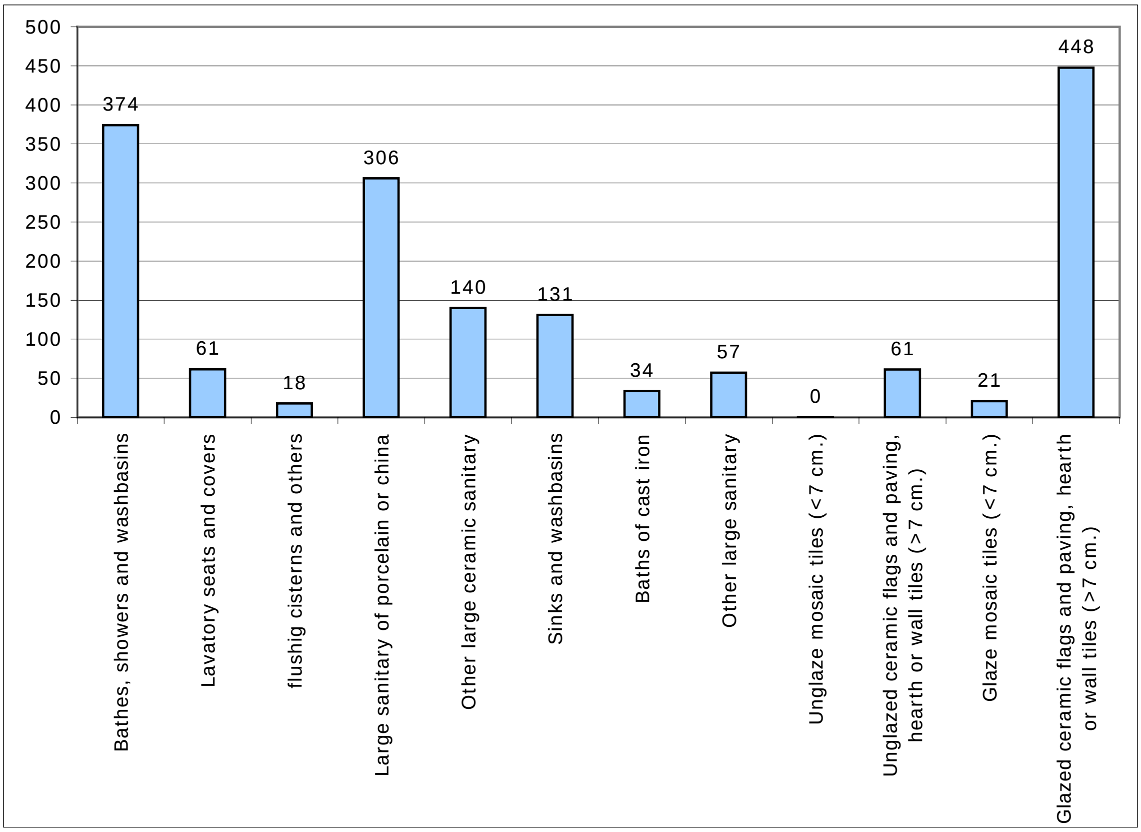
Slightly over 50 percent of the washbasins are sold with pedestals. The sales of the back to wall wash basins have increased in the last few years. Almost all washbasins are made of ceramic though a small portion is made of plastic or steel.

For toilets the UK customer has a preference for the traditional low level and high-level toilet. The proportion of toilet cisterns made of plastics has declined in favour of better quality ceramic products. The bidet market remains very small in the UK.

The United Kingdom is the European country with the lowest per capita consumption of ceramic tiles, but is showing an increase year on year. The low consumption is mainly caused by the fact that bathrooms are considered ‘dry environments’ in the UK. Consumers with higher disposable incomes or more sophisticated tastes are beginning to consider that tiled floors add value to their homes.

Tiles are also being used increasingly frequently to create patios and conservatory floors, where imitation terracotta is very popular. Per capita consumption of ceramic tiles amounts to 1.1 m^2 per capita. Consumers' colour preferences tend to be conservative. Very small formats in dark colours (deep reds, greens and blues) are still popular for bathrooms as is imitation marble.

Figure 3.7 Estimated consumption of sanitary ware and ceramic tiles in the UK, 2002 (million €)



Source: Eurostat (2004)

The information in figure 3.7 should be used to compare the relative, not absolute sizes of product groups. For estimates of the total UK market size, refer to figure 3.3 and 3.4.

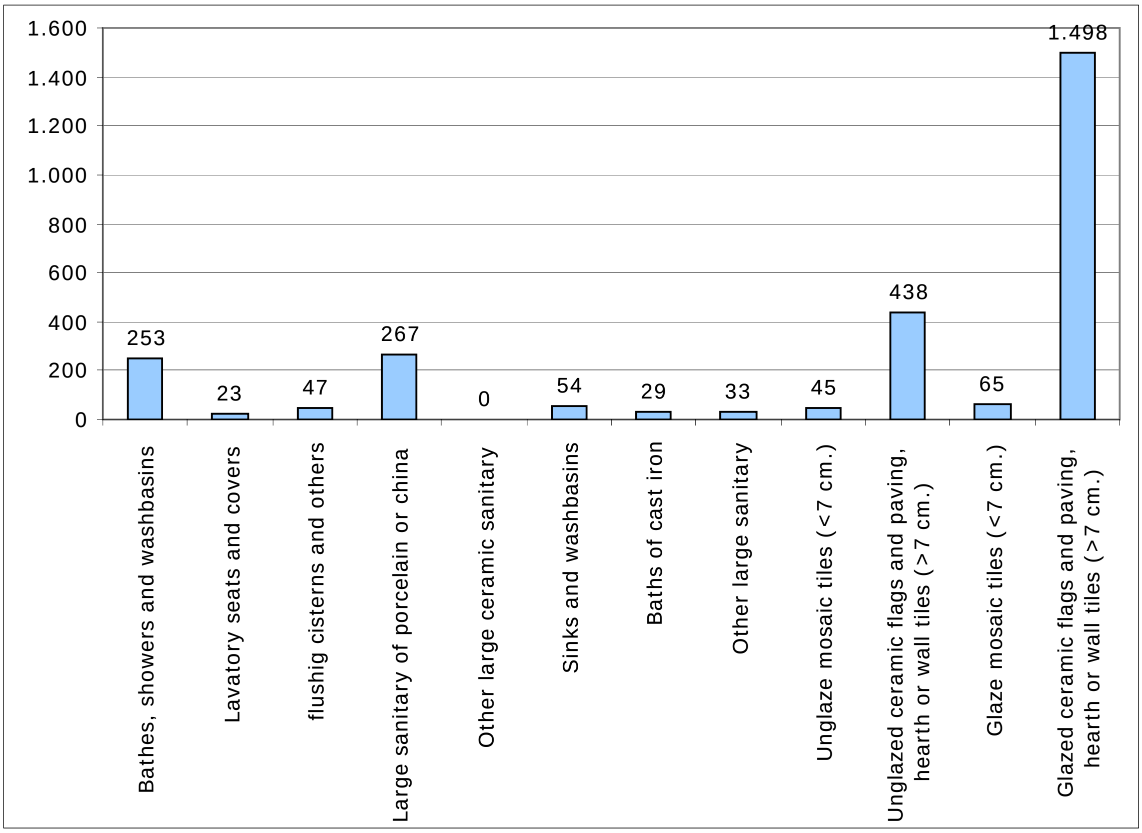
Italy

Striking in the consumption pattern of Italy is the very large size of consumption glazed ceramic flags and paving, hearth or wall tiles with a size bigger than 7 cm, which is significantly more than in other EU countries. This makes Italy the EU’s largest consumer of ceramic tiles.

Consumption of ceramic tiles has decreased slightly in volume in the period 2000 – 2002, whereas the value of consumption has slightly increased.

Consumption of sanitary ware is more similar to the trends found in other EU member states, with baths, showers and basins being the dominant category. Italy is the third largest consumer of sanitary ware. Consumption of plastic and steel sanitary has grown in the period 2000 – 2002, while consumption of ceramic sanitary ware has slightly decreased.

Figure 3.8 Estimated consumption of sanitary ware and ceramic tiles in Italy, 2002 (million €)



Source: Eurostat (2004)

The information in figure 3.8 should be used to compare the relative, but not absolute, sizes of product groups. For estimates of the total Italian market size, refer to figure 3.3 and 3.4.

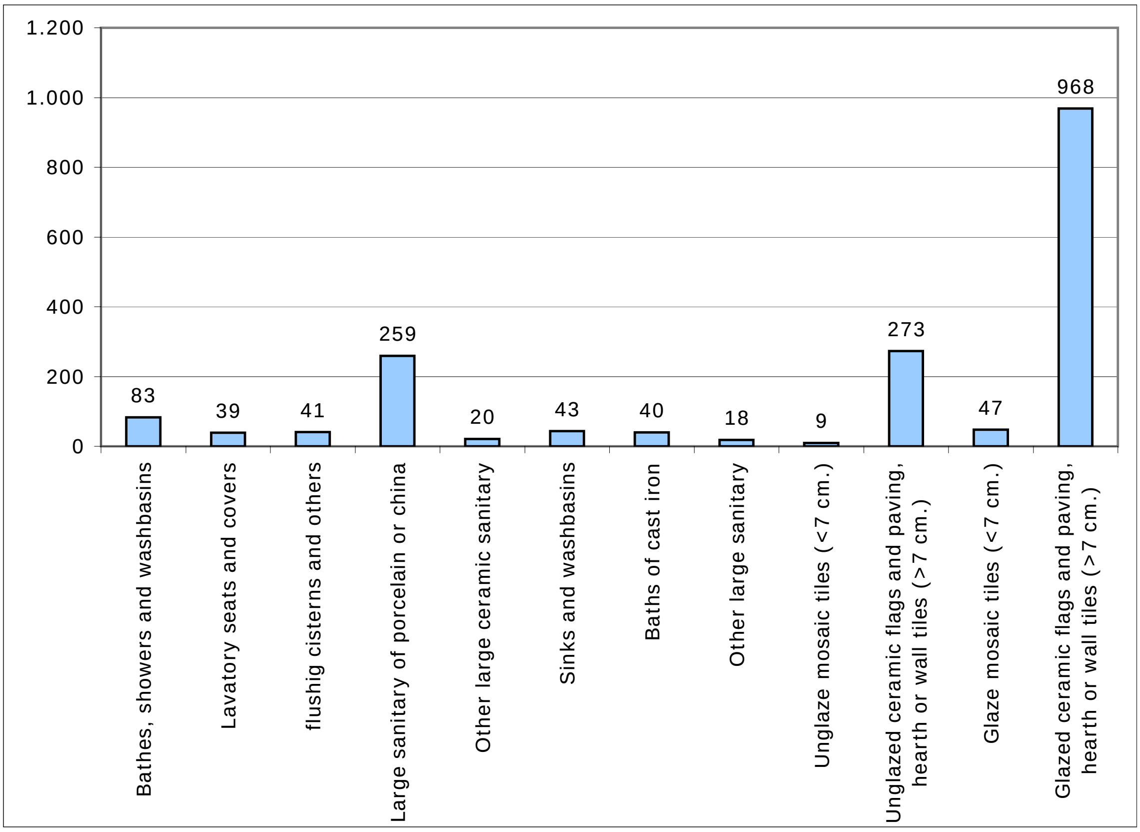
Spain

Spain is the fifth largest consumer of sanitary ware and the second largest consumer of ceramic tiles and has seen strong growths in consumption in the last few years, due to a boom in the construction industry..

Consumption of sanitary ware has significantly increased during the period 2000 – 2002, with the biggest increases in sales of plastic sanitary. Interesting in Spain's consumption of sanitary ware is the low proportion of baths, showers and washbasins sold.

Consumption of ceramic tiles has also strongly increased in this period. The value of Spain's consumption has increased relatively more than the volume, indicating a trend towards the use of higher-value products in houses.

Figure 3.9 Estimated consumption of sanitary ware and ceramic tiles in Spain, 2002 (million €)



Source: Eurostat (2004)

The information in figure 3.9 should be used to compare the relative, but not absolute, sizes of product groups. For estimates of the total Spanish market size, refer to figure 3.3 and 3.4.

The Netherlands

The Dutch DIY market is the fourth largest DIY sales market in Europe. For the professional market it should be noted that the Dutch construction sector as a whole decreased by 2.2 percent in 2002, and is expected to decrease another two percent in 2003. A modest recovery of one percent is expected for 2004. The only growing market (up to two percent growth per year) is renovation and maintenance. However, this sector is responsible for approximately 65 to 70 percent of the total turn over in ceramic tiles and sanitary ware.

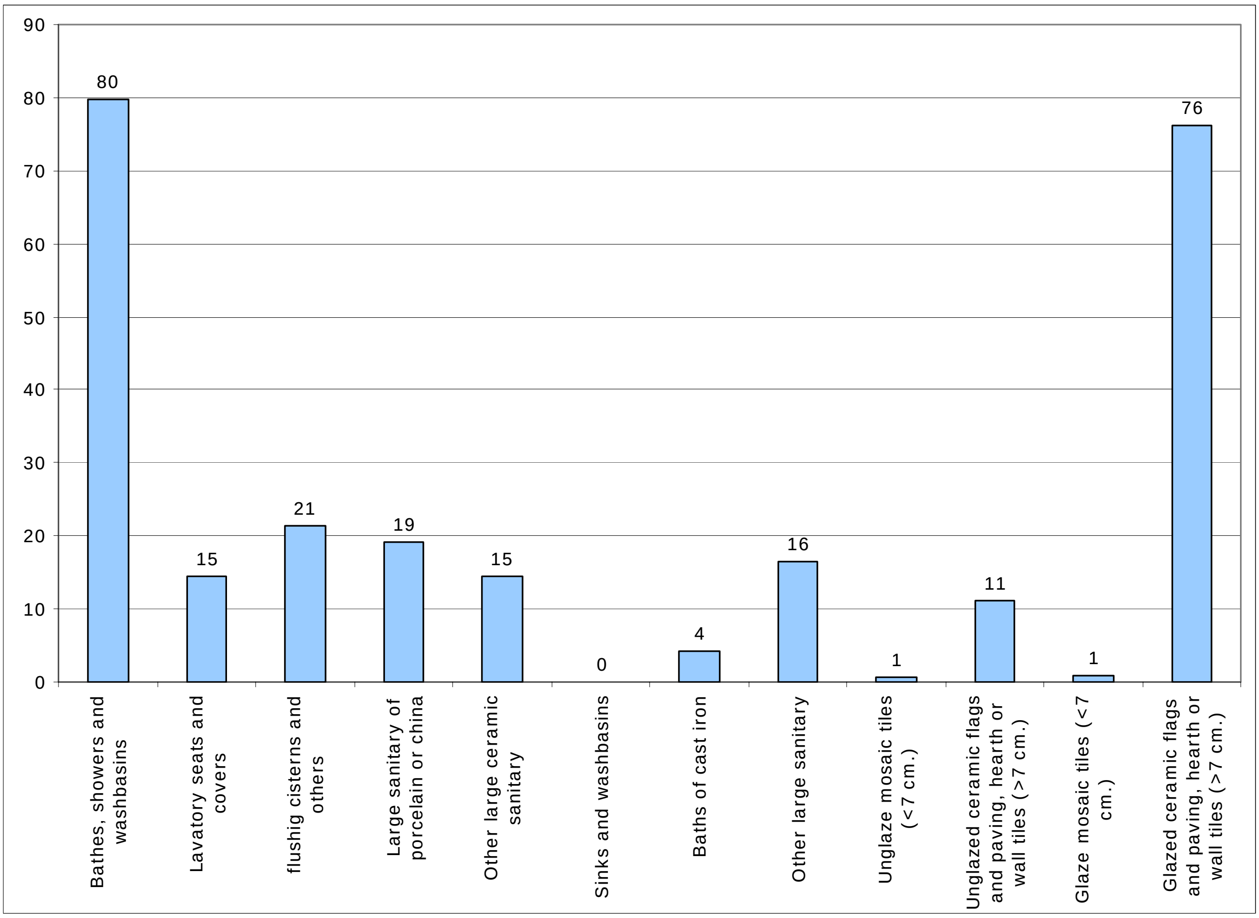
For both baths and shower trays Dutch customers reveal a marked preference for acrylic products. Approximately 80 percent of all baths and shower trays sold are acrylic, and the remainder consists of iron/steel products.

The majority (90 percent) of the washbasins sold are wall-hung washbasins. Almost all washbasins are made of ceramic, though a small portion is made of plastic or steel.

For toilets the Dutch customer has developed a preference for wall hung shallow pan toilet. The proportion of toilet cisterns made of plastics has declined in favour of the better quality ceramic products. Quality ceramic products are used in owner-occupied houses. A recent trend towards built-in cisterns (steel frame and plastic reservoir) favours the use of plastics. Due to the fact that Dutch people are becoming taller, the demand for higher toilets is increasing in the Netherlands. The market for bidets is very small, as it is considered a typically French product. Most bidets are only supplied upon special order by customers.

The use of ceramic floor/wall tiles in the Netherlands was 0.7 m^2 per capita in 2001. Light natural colours are especially popular in the Dutch market.

Figure 3.10 Estimated consumption of sanitary ware and ceramic tiles in the Netherlands, 2002 (million €)



Source: Eurostat (2004)

The information in figure 3.10 should be used to compare the relative, but not absolute, sizes of product groups. For estimates of the total Dutch market size, refer to figure 3.3 and 3.4.

Central and Eastern Europe
Poland is the most important country in consumption of sanitary ware and ceramic tiles of all new EU members. The high demand for ceramic tiles has been mainly stimulated by numerous investments in the public utility sector and industry.

Hungary is considered the second most important market for sanitary ware and ceramic tiles in Central and Eastern Europe. Over the last decade, the Hungarian building industry has shown an annual growth rate of over five percent. Hungarian demand of ceramic tiles is expected to reach approximately EUR 140 million in 2003, 75 percent of which will be supplied through import (mainly from Italy and also from Spain).

Consumption information for the other new member states is not available. Considering the relatively high rates of economic growth, consumption can be expected to increase over the coming years.

3.2 Market segmentation

Data on consumption should be treated with caution, as data are not available for all of the product groups covered by this document. EU consumption data per product group was presented in figure 3.2 above. The five largest product groups are:

- Glazed ceramic flags and paving, hearth or wall tiles > 7 cm;
- Plastic baths, showers and washbasins;
- Ceramic sanitary of porcelain or china;
- Unglazed ceramic flags and paving, hearth or wall tiles > 7 cm;
- Sinks and washbasins.

The market for sanitary ware and ceramic tiles can be sub-divided into the professional and private markets. A further useful division can be made by classifying products according to three price ranges: high-, mid- and low-range products. Mid-range and low-range products have accounted for an increasingly large share of sales in the bathroom ceramics sector in recent years.

The ***professional market*** tends to strive for efficiency, while respecting official quality standards described in part B of this Market Survey. Low (purchasing) price is an important factor determining demand, thus making the professional market a potential buyer of low and mid-range products. Exceptions to this general rule are the bathroom boutiques and prestigious projects.

The professional market, which is largely supplied by importers/wholesalers, can be divided into three main segments that reflect the major construction markets:

- Non-residential;
- Residential;
- Renovation (both residential and non-residential).

The key decision makers in the professional *non-residential* markets are architects and other controllers on major building projects. In order to minimise risk, they tend to demand products that adhere to certain national or international quality standards. In the public area of non-residential buildings, higher quality products are used, while in non-public areas more basic products are used. The products used in these non-public areas need to be easy cleanable (like hanging toilets), to keep cleaning costs at a minimum.

Though the influence of architects is still large, the influence of the buyer or tenant on the product choice is growing in the *residential* market. The quality of products is generally higher than that of the ones used in the non-residential sector.

An important feature within the professional building industry is the difference in attitude towards the latest trends in fashion. In the *renovation* segment for non-residential and rental residential buildings, there is a tendency to use the more basic construction materials, with white as the leading colour. In contrast, private house-owners renovating their own homes are more likely to demand luxury goods with specific characteristics (reflecting trends in fashion) as opposed to basic sanitary ware.

The ***private market*** is covered to a large extent by sales through Do It Yourself (DIY) outlets. The DIY-market is a potential buyer of products in the low and mid price ranges. Over recent years the volume of sales through the DIY channel has increased and continued moderate growth is expected in the future. This growth will be at the cost of trade through other channels. For the past decade, DIY shops in the Netherlands have on average increased their sales by eight percent per year. Present market share of the DIY outlets in the private market is about 75 percent, while the bathroom boutiques have a share of about 25 percent.

In the private market there is also a tendency to use more basic construction materials. In the DIY segment, brands do not generally play a major role, whereas price and aesthetics are generally regarded to be the most important attributes influencing the purchase the goods. As individuals rarely demand national or international quality standards, compliance with these standards is not a pre-condition for selling in this market. This fact has influenced enterprise strategies, as some manufacturers have concentrated only on the private market. In Europe the DIY segment is largest in Western Europe (i.e. Germany, France, United Kingdom, Netherlands and Belgium). The DIY segment is expected to become even more important in the future, due to a shift from project developers towards the private market. This growth will be at the cost of the wholesale sector.

Due to a reduction of leisure time, for example in the case of working couples (i.e. both adults working), there is a tendency in the private market to buy a total concept including installation. This activity is mainly served by specialists (bathroom boutiques) rather than the DIY segment.

Overall the private market appears to offer the best opportunities for exporters from developing countries. Trade data on EU imports from developing countries indicate that product groups of most interest for exporters from developing countries are glazed ceramic flags and paving, hearth or wall tiles > 7 cm, ceramic sanitary of porcelain or china, plastic baths, showers and washbasins, unglazed ceramic flags and paving, hearth or wall tiles > 7 cm, stainless steel sinks and wash basins and cast-iron baths.

3.3 Consumption patterns and trends

The market for sanitary ware and ceramic tiles has reached a stage of market maturity with household penetration at saturation level. The demand for sanitary ware and ceramic tiles is influenced by the factors described below.

Number of new houses built and the number of renovation activities
Birth rates within the EU are generally low, and to a certain extent population growth in Europe depends on the outcome of immigration policies. Nonetheless, the increasing dissolution of marriages, while causing a reduction in the average number of inhabitants per house, has an influence on the total demand for the number of housing units. The number of house owners in the EU is increasing (approximately 60 percent of the families own the house they are living in), but remains relatively low in Germany and the Netherlands (approximately 50 percent).

According to Euroconstruct, the organization for the European Construction Industry, the overall construction industry declined by 0.2 percent in 2003. However, considerable differences exist between the different EU Member States. It is forecast that the European construction industry will grow in 2004 (+0.8%), and further on in 2005 (+1.3%) and in 2006 (+2.0%).

The analyses of the Eastern European construction market shows a similar trend with a recovery from the recession that has been going on since 2001. The construction sector in Eastern Europe is expected to have a dynamic growth in 2004 because of the positive business trends in Hungary and the recovery in Poland[1].

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[1] Euroconstruct (Press info. 28 November 2003), http://www.euroconstruct.org/pressinfo/pressinfo.php.

One reason for the poor demand in the construction industry is the low demand within the residential construction, which represents 45 percent of the European construction sector. The non-residential construction sector also experienced a recession in 2003, however, the forecast for the next three years are optimistic (see figure 3.10). In addition, the increasing unemployment rate until 2003 and emerging budgetary constraints in Germany, France, and Italy can explain the poor performance of the European construction sector. Finally, restrictive policy on housing subsidies in some European countries also had a negative impact on the performance of the sector.

In residential construction the decline is expected to go on in 2005, whereas in 2006 a wavering growth is foreseen in this market segment. Nevertheless, residential construction shows the least favourable development among the construction sectors up to 2005.

Non-residential construction responded to the changing global macroeconomic situation very sharply, mainly due to the downward adjustment in industrial facilities.[2]

Table 3.1 EU construction growth in percentage change (excl. Greece and Luxembourg), 2002-2004

	Billion € 2002	(%) 2002	(%) 2003	(%) 2004
Belgium	23.6	-4.2	0.4	3.5
Denmark	18.2	-0.7	0.0	1.2
Germany	193.7	-5.9	-1.6	-0.8
Finland	19.2	-0.9	0.9	1.3
France	150.0	-0.8	-1.1	0.6
Ireland	21.0	-1.4	-3.2	-3.7
Italy	135.4	1.6	-0.3	-1.2
Netherlands	48.2	-2.2	-1.9	1.2
Austria	25.8	0.0	1.5	1.7
Portugal	22.7	-2.6	-5.7	-6.1
Spain	80.4	4.5	3.0	3.5
UK	132.9	8.4	4.9	1.9
Sweden	18.0	-1.2	0.3	3.4
Total	**908.4**	**-2.6**	**-3.1**	**5.0**

Source: Euroconstruct 2003

Trends in fashion

The most fashionable designs are currently taken from nature. Out in the marketplace, those products with a design inspired by nature are the most successful. Faithfully replicating granite and marble is not enough, colours and textures need to be inspired by nature too. Products whose surfaces reflect natural stone but that do not necessarily replicate the original exactly are in demand. A close look at the trends in floor tiles would seem to confirm that the leading colours are beiges, browns, anthracite, black and, above all, shades of terracotta. Another new trend is the high-tech look. Examples include tiles in black and white or pale colours with geometrical figurations, sometimes combined with other materials like mirror and metal inlays. The preferred colour for wall tiles is white (often combined with blue), beige, taupe and other light neutral colours. The modern minimal look still dominates wall tile design.

[2] http://www.sgzz.ch/home/links/constreuc.htm

Combinations of white and Mediterranean colours such as yellow and green are nonetheless being seen more frequently now. There is currently a move back to using loud colours in decor and these are gaining ground on pastels. Also mosaic patterns are in demand.

Because of the increasing possibilities of computer-aided design and printing techniques more and more graphical representations, formed by a series of tiles (geometrical forms, texts, graphs, pictures, etc.) are on the market. E.g. entire walls decorated with cartoons using tiny ceramic squares, either black and white or coloured. In Italy experiments in texture and sculpting have been taken to new levels - raised waves, circles, squares, triangles and other geometric patterns in bold relief.

Combining different materials with ceramic opens up whole new fields for research, further enhancing the graphic side of ceramic tiles. One of the materials most commonly combined with ceramic is glass, which is already well established within the tile industry. Resins and plastics are also beginning to be combined with ceramic materials as is wood, which gives a certain warmth.

The popularity of mosaics shows no sign of decreasing. Glass tile companies are finding new ways to work with metallic and speckled effect glazes. Mosaic companies are also exploring the use of white with swimming pool colours - especially mid-blue. Other noticable trends in the field of mosaics are the growth in matt and satin glazes, lustres and semi-polished glaze effects.
An important trend in floor tiles is stone effects - limestone, sandstone etc, also "hot" trends are wood effects, concrete effects in a variety of finishes - polished, semi-polished and matt, often with soft cushioned edges. This creates a very urban feel - for loft living and sophisticated retail environments.

Over the past years, ceramic tiles have undergone extraordinary development in all aspects. They are now generally consumed worldwide thanks to their properties and technological evolution. Spain alone produces and exports 50 percent of the total, which is the general trend throughout international markets. Until very recently, ceramic tiles were used almost exclusively for bathroom and kitchen walls. Today they are considered to be a construction item and a wide range of products are available with endless uses: from the interior of houses to façades, urban facilities, hospitals, public areas, urban decoration and industrial zones.

For industrial applications (such as chemical industry, food sector, garages, ware houses) where technical requirements dominate, formats of 20 x 20 are popular. Due to mechanical loads these tiles are 15 – 20 mm thick. In reception rooms (living rooms, reception halls, etc.) the aesthetic aspects tend to dominate. In these markets the larger sizes (30 x 30 or larger) dominate. For safety reasons, anti-slip tiles are increasingly used in public buildings. For garden purposes, thick tiles (15-20 mm thick, format 20 x 20, are becoming increasingly popular. These tiles are usually terra cotta coloured.

Due to the increase in house ownership across Europe demand for more fashionable sanitary ware and ceramic tiles is increasing.

EU market differences
The United Kingdom is the European country with the lowest per capita consumption of ceramic tiles, but is showing an increase year on year. Momentarily, Spain is the largest supplier of ceramic tiles to the UK. Consumption of wall tiles is miles ahead of that of floor tiles (approximately 80%: 20%), which can be attributed to the fact that bathrooms are normally “dry” environments in the UK as opposed to “wet” (i.e. tiled floors, walls etc.) on the Continent. Moreover bathing is more popular in the UK than Europe where showers are more prevalent. At the same time, northern Europeans tend to be taller than

southern Europeans and therefore require larger baths. Sales of floor tiles, however, are growing in the UK at a faster pace than wall tiles in both value and volume terms.

Sizes
Favourite formats at the moment are 25x33cm for wall tiles and 30x30cm and above for floor tiles. It is important to note, though, that the predilection for large formats is greater in the south of the area than in the north. In the north and the east the traditional 20x25cm format for wall tiles and 30x30cm for floor tiles are preferred, but the trend in floor tiles is larger formats: 40x40 and even 60x60 cm in modern, sophisticated interiors, also 40x60mm and other rectangular sizes are coming into fashion. Modular formats remain popular.

Consumers' colour preferences in the UK tend to be conservative. Small formats (15x15cm and 20x15cm for wall tiles) in dark colours (deep reds, greens and blues) are still popular for bathrooms as is imitation marble. In the kitchen British taste leans towards light colours and traditional motifs for the walls, whilst the classic black and white checkerboard is still very popular for floors.

Consumers with higher disposable incomes or more sophisticated tastes are beginning to consider that tiled floors add value to their homes. This is being reflected not just in an overall rise in tile sales but in a greater diversity of styles and colours on offer together with bolder decors: for instance imitation natural stone for floors and larger formats in general for both walls and floors. Tiles are also being used increasingly frequently to create patios and conservatory floors, where imitation terracotta is very popular.

A wide range of colours, shapes and dimensions is available, with different technical characteristics in terms of their use. More and more tiles are available that can be combined, including special tiles with multiple decorations that allow the creation of custom-made atmospheres. Typically, in Germany, the Netherlands, and the Flemish part of Belgium, light natural colours (so-called colonial style and Mediterranean style) tend to be popular. In the French speaking part of Belgium, France, and also the UK, there tends to be a preference for romantic pastel decorated bathrooms.

Concerning toilet cisterns it should be noted that the UK uses the siphonic (valve-less) flush whereas the valve-flush is used throughout continental Europe. As for bidets, these are virtually non-existent in northern Europe and are more common in southern European countries.

The main types of toilet pan used in Europe are:

• The floor toilet / closed coupled toilet suite	The cistern sits onto the rear platform of the bowl and provides a wash down flush to the toilet pan (picture 9 of ceramic sanitary ware, section 1.2)
• The single floor standing	The cistern and bowl are separate (picture 5 of ceramic sanitary ware, section 1.2)
• Wall-hung cisterns	The cistern and bowl are attached to the wall (picture 6 of ceramic sanitary ware, section 1.2)

Particularly in the UK market, there is still a considerable market for two sub-types of the single floor standing type:

• The low level toilet	Traditional pan with a separate wall cistern mounted about 20 cm above the pan, connected together with a flush pipe
• The high level toilet	Similar to the above but the cistern is wall mounted about 2 m above floor level and has a chain pull.

Production
The use of changing techniques on building sites are causing producers to adapt their products accordingly. Skilled craftsmen still dominate in the housing segment but new

technology is penetrating the market for industrial and public buildings. Due to health problems of tilers and the unpopularity of craftsmanship there is a need for greater automation of processes on building sites.

The so-called vibration technique is already established for floor finishing. This technique uses special tiles that are laid down and fixed by vibrating the floor with a special device, resulting in a solid construction with a flat surface. The first tiling robots and manipulators have been introduced recently. These require high quality tiles (e.g. high accuracy of dimension) that are packed in accordance with the specifications provided by the architect. The technique of fixing the tiles with adhesives to a finished flat surface is already quite common and has become more popular than the traditional method of fixing tiles in a mortar bed. In the new EU countries, labour costs are still relatively low. Mechanisation techniques tend to be backward in these countries, but at the same time tilers and other craftsmen with lower wages, who are willing to do hard work, will spread to other EU countries, at least for the coming years.

Sales of total concepts
Both in the private and professional market, the trend for manufacturers / wholesalers to sell total concepts instead of just their products is of importance. For the private market, this trend is fuelled by an increasing demand for information and service from consumers. It is common for DIY stores to have a range of total concept packages for different jobs that include materials, manuals and hints on how to solve problems. An example of such a total package is the total bathroom formula, in an integrated design, including tiles, baths, adhesives, toilets, taps, services etc.

For the professional market the total concept trend is fuelled by the growing demand for personal housing (i.e. building directly for consumers), which requires developers as well as contractors (often the same company) to adapt to specific consumer requirements. The developers / contractors generally have contracts with suppliers of total concepts and will use suppliers showrooms in order to be able to communicate with the customer. The phenomenon of virtual showrooms on the Internet can provide a means of assisting customers to make choices by providing inspiring examples (e.g. www.absolutebathrooms.ie or www.creativebathrooms.co.uk).

Total concepts are created by so-called intermediate companies. Their function is to develop selling formulas (i.e. concepts from a coherent set of products including tools, instructions, fasteners etc.) in order to solve the problems of the consumer. Sometimes this role is being explored by the main producer, contractor or the distribution company. The DIY shop / bathroom boutique offers space to present and sell the product and receives a percentage of the sales price in return for offering shelf space.

DIY
DIY is increasing in popularity in Western Europe. DIY is becoming more accepted as a leisure activity and the participation of women in the “doing” aspect of the DIY tasks influences the way in which manufacturers and retailers present their products. Suppliers can distinguish themselves by factors such as presentation, advertising, distribution and logistics, and services (e.g. helpdesk, after sales, manuals, etc.).

Sustainable building
As a result of increasing consciousness of the inheritance that current building methods will leave for future generations, sustainable building has become an important topic in Western Europe, notably in the Netherlands and Germany. Until as recently as a few years ago, environmental discussions were largely of an emotional nature, whereby natural materials were preferred to artificial and chemical materials. More recently, calculation models have been developed in order to be able to quantify the environmental damage resulting from decisions made over product choices. The internationally most adapted methods are based on the so-called ‘Life Cycle Analysis (LCA)’. These methods

quantify the environmental damage through all the life phases of a product/project; from resources and production, through the functional phase and, ultimately, the demolition and possible necessity to deposit or recycle waste material. Since these models are accepted among a wide group of experts, the discussion is rational rather than emotional. Recent outcomes of a EU Task Group 'Environmentally Friendly Construction Materials', also recommended that the construction industry adopts a life-cycle approach to improve the environmental performance of its products[3].

Plastic materials have, for example, an emotional disadvantage concerning their image from the discussions of the past. PVC has especially had an impact in deteriorating the 'public' image of plastics in general. Thermoplastic materials such as acrylic are, however, rather easy to recycle and their standing has risen in environmental terms. Steel, though rather easy to recycle, requires a lot of resources such as ore and energy for basic production. Due to the baking process, production of ceramic products is also energy intensive but ceramic sanitary products are very durable and can last for many years. Ceramic covered floors and walls are very durable as well, although in most applications they are replaced due to fashion effects.

[3] http://europa.eu.int/comm/enterprise/construction/suscon/tgs/tg1/efcmfin.htm
http://europa.eu.int/comm/enterprise/construction/suscon/finrepsus/sucop4.htm

4 PRODUCTION

Sanitary ware
A number of mergers and acquisitions in recent years have greatly increased the level of concentration in the sanitary ware industry. A few major groups control large shares of the market. These include:

- The Sanitec Group (part of Metra group of Finland), including the brands Ifö and IDO (Nordic countries), Sphinx (NL) and Keramag (Finland/ Germany), Kolo (Poland), Allia (France) and Domino, Pozzi-Ginori and others (Italy), Twyford (UK), with ceramics plants in Finland, Sweden, Norway, Germany, France, Portugal, Italy, Netherlands and Poland;
- Ideal Standard (American Standard of USA) with ceramic plants in UK (5 plants), Italy (6), France (2), Czech Republic, Bulgaria, Greece and Egypt;
- Roca (Spain) with ceramic plants mainly in Spain, Portugal and Poland.

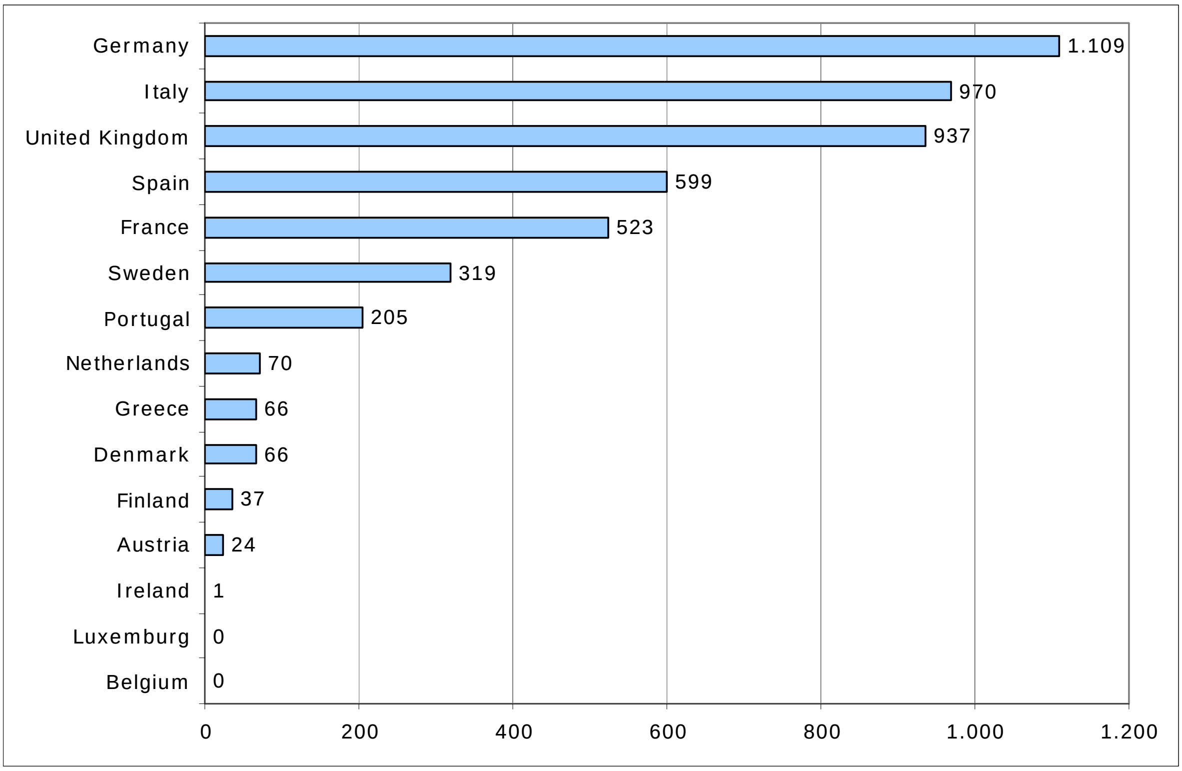
Other significant manufacturers include Jacob Delafon (Kohler Co., USA), Villeroy & Boch (Germany, acquired Ucosan, Netherlands, Gustavson and Svenska Badkar in Sweden, Alfoldi in Hungary and Czech Vagnerplast), Qualceram Shires (UK, Ireland) and Duravit (Germany).

The European sanitary ware industry has also been marked by a relocation of some production to CEEC or non–EU Mediterranean states, where labour costs are lower. For example, Ideal Standard recently acquired Bulgaria's major ceramic ware manufacturer and is expanding production there in order to supply EU markets while closing four EU facilities; Sanitec has new factories in Egypt and Poland but is also investing to make its EU plants more competitive. Generally, the sanitary-ware industry in Europe has some movement caused by new EU members but will also be facing greater competition from products coming from outside the EU, e.g. products from China.

As production standards still differ across Europe, production plants are being maintained in the different Member States in order to serve the local markets. Since the lion's share of sanitary production is still for the national markets, it is not surprising that the main producing countries in the EU are Italy, Germany, United Kingdom, Spain and France.

The Eurostat production data presented below have to be treated with caution since not all countries and products are fully covered, and, therefore, the absolute values provided should be treated with caution. However, the overall picture that Italy, Germany, UK, Spain and Portugal are the main producers within the EU reflects reality.

Figure 4.1 Production of sanitary ware in the EU, 2002 (million €)



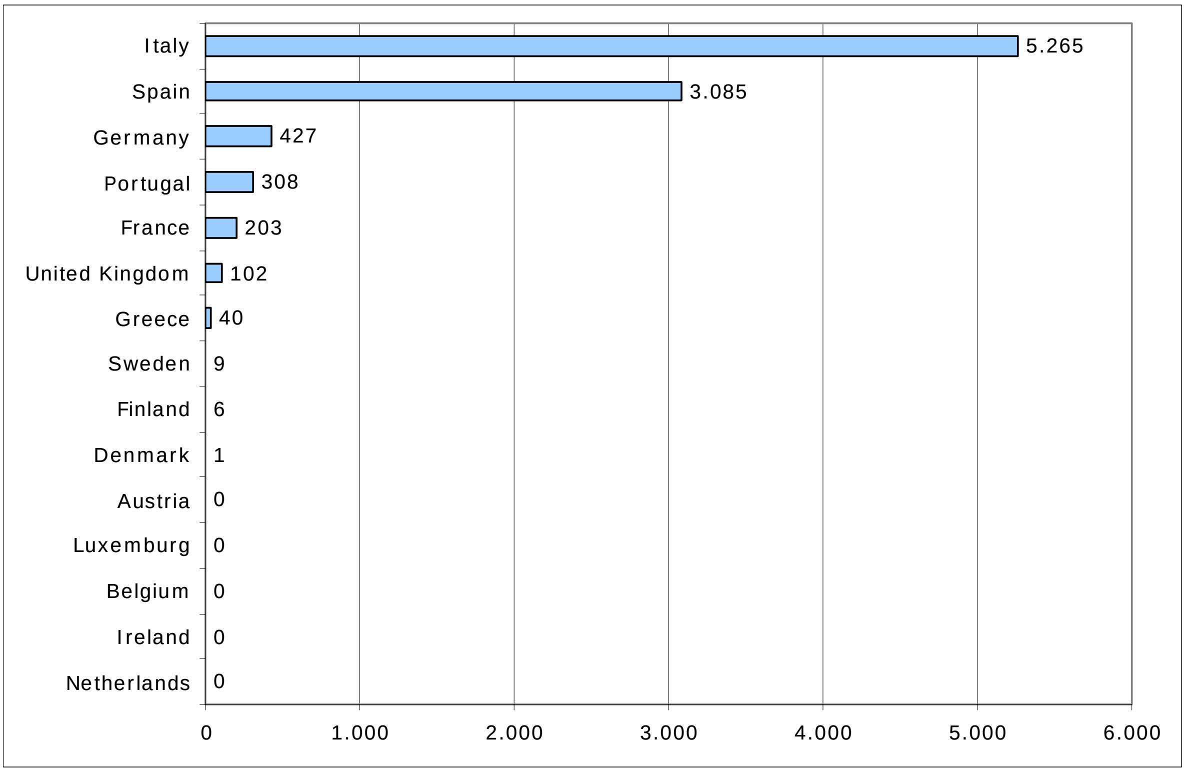
Source: Eurostat (2004)

Ceramic floor / wall tiles
Sales of European production of ceramic wall/floor tiles amounted to € 8.6 billion in 2001. The European ceramics industry continues to be highly competitive internationally, with strong production concentrations in Sassuolo (Italy about 180 firms) and Castellón (Spain over 200 firms) areas, and sizeable activities in Germany, Portugal and France.

Strong German brands on the European market are Deutsche Steinzeug (e.g. Laufen, Buchtal) Korzilius, Kerateam, Villeroy & Boch (residential wall and floor tiles) Röben (industrial floors) and Gail (swimming pools). Mosa and Sphinx are the largest Dutch brands producing all kinds of floor and wall tiles (see section 1.2 for examples). Important Spanish producers are for instance Fabresa and Porcelanatto. Furthermore there are many producers of ceramic tiles in Italy, examples of strong brands are Ariostea, La Fabbrica, Iris Ceramica, Marezzi, Gambarelli, Ceramica Valverde.

The Italian ceramic tile industry is the world leader both in terms of production (with 630 million square meters; about 13 percent of the world production) and exports, accounting for about 15 percent of total world output and about 35 percent of total EU production. The Italian ceramic tile industry is the world leader both in terms of production and exports, accounting for about 10 percent of total world output and 24 percent of total EU production. Italian production is particularly concentrated in the so-called "ceramic belt", consisting of the provinces of Modena and Reggio Emilia, whose ceramic tiles production constitutes the 80 percent of the overall Italian total. As far as production and technology are concerned the Italian ceramic industry has expanded significantly, increasing its output ten fold in a little more than 30 years.

Figure 4.2 Production of ceramic tiles in EU, 2002 (million €)



Source: Eurostat (2004)

Market strategy of major players
The market strategy of most European companies is aimed at added value in the higher segment of the market. These companies strive to be the market leader in technological aspects. Gail, for example, specialised in swimming pools with anti-slip tiles. Roben has specialised in highly durable floors, in particular for floor parts in companies facing heavy loads. Most of the above mentioned companies have their own specific specialisation, and chose to have their production of cheaper tiles in low cost countries, such as China which is by far the world leading ceramic tile producer (1.6 billion square meters, 35 percent of the world production).

Production in Central and Eastern Europe
The most important producers of sanitary ware and ceramic tiles in Central and Eastern Europe are Poland, Hungary and Czech Republic. Furthermore, Romania has a relatively large production of ceramic tiles as well.

Most enterprises producing ceramic tiles in Poland are located in the area around Opoczno. Their combined production capacity represents 70% of the Polish industry's total capacity. The main advantage of the Polish ceramic tile industry is modern production facilities that were built mainly in the 1990s. The machines and technologies supplied by well know foreign firms ensure that products manufactured in these facilities have a quality comparable to foreign-made tiles.

In the last decade several Hungarian factories producing ceramic tiles were forced to discontinue operations because of strong competition of imports. Only Zalakerámia Rt and Villeroy & Boch Magyarország Rt., which is the legal successor of the Alföldi Porcelángyár Rt have managed to survive this competitive pressure. This was largely due to their strong capital base.

The industry of glass and ceramics is one of the traditional industrial branches in the Czech Republic.
An Austrian family company, Lasselsberger, which is one of the big European tile manufacturers, is currently the biggest producer of ceramic tiles on the Czech market. Brands are BohemiaGres, Keramika HOB, Rako and Sanex. The complete portfolio ranges from ceramic wall and floor tiles to complete interiors and exteriors.

Romania has an interesting ceramics industry. In Romania, Lasselsberger, owner of amongst other Sanex Cluj, is leading in this sector with a market share of 35 percent. A second market player is the Hungarian company Zalakerámia (Cerasom). Further important companies are Ceram and Romceram Chitila. The yearly total turn over in the ceramic tiles industry is over € 100 million.

The manufacture and market of ceramic sanitary ware in Poland are characterised by a continuous growth. Exports are also on the rise, and in the near future, Poland may become a net exporter of ceramic sanitary ware, mostly to Germany. Similar to elsewhere in Europe, the manufacture of ceramic sanitary ware in Poland is highly concentrated, and the main companies Cersanit and Sanitec control more than half of the market. With competition becoming increasingly fierce, manufacturers can no longer count on the excellent results they had as recently as two years ago. Continuous improvement of stylistics, modernisation of technology, and advertising are something that only the biggest companies are able to afford, which leads to the expectation that their importance will increase. In the last decade, the production of ceramic sanitary ware tripled.[4]

In Hungary, the exclusive producer of sanitary equipment is the Hódmezõvásárhely factory of the Villeroy & Boch Magyarország Rt. Half-porcelain sanitary products form a niche product. Nowadays though, it is mainly exported and the market is decreasing.

[4] http://www.pan.net/tradeconsul/analyses/ceramics.pdf

5 IMPORTS

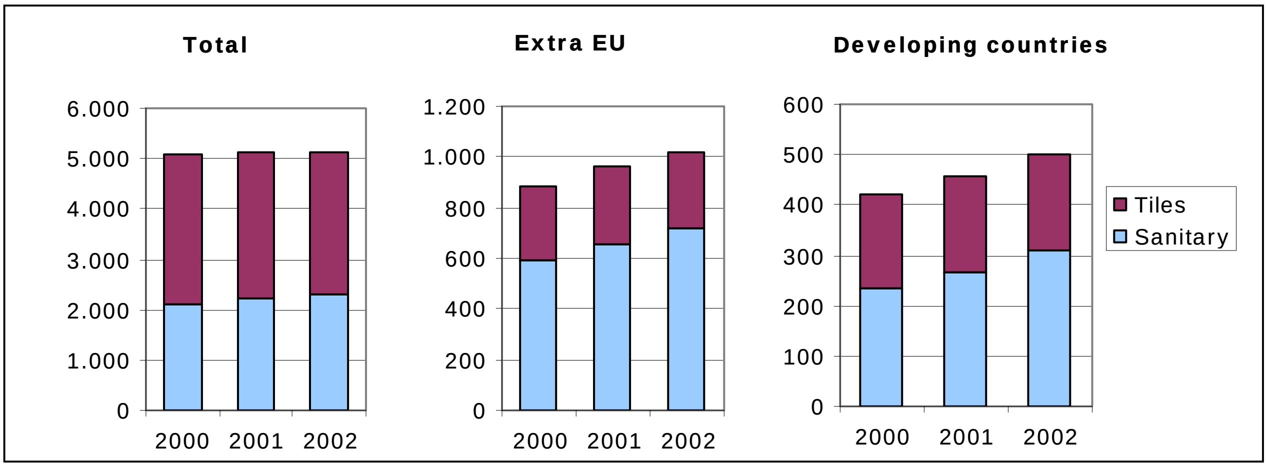
Trade figures quoted in this section must be interpreted and used with extreme caution. The collection of data regarding trade flows has become more difficult since the establishment of the single market on 1 January 1993. Prior to that date, trade was registered by means of compulsory customs procedures at border crossings, but, with the removal of the intra-EU borders, this is no longer the case. Statistical bodies such as Eurostat can no longer depend on the automatic generation of trade figures. In the case of intra-EU trade, statistical reporting is only compulsory for exporting and importing firms whose trade exceeds a certain annual value**.** The threshold varies considerably from country to country, but is typically approximately € 100,000. As a consequence, although figures for trade between the EU and the rest of the world are accurately represented, trade within the EU is generally underestimated. The value of the trade figures in this section lies primarily in the comparison of relative sizes rather than their absolute value.

The statistics specify total imports, imports originating from the EU Member States and non-EU countries, both in volumes and values. Developing countries, as defined by the OECD, are listed in Appendix 4. Appendix 1 lists import statistics of the EU and the selected markets within the EU and gives detailed breakdowns of the statistics by product group and supplying country. It should be noted that the total EU imports are defined as total imports by all EU countries, and therefore includes intra-EU trade.

5.1 Total imports

In 2002, total EU imports of sanitary ware and ceramic tiles reached a volume of 5,960 thousand tonnes, which represented a value of € 5,134 million. An overview of EU imports of sanitary ware and ceramic tiles is presented in figure 5.1.

Figure 5.1 Overview of EU imports in million €, 2000 – 2002

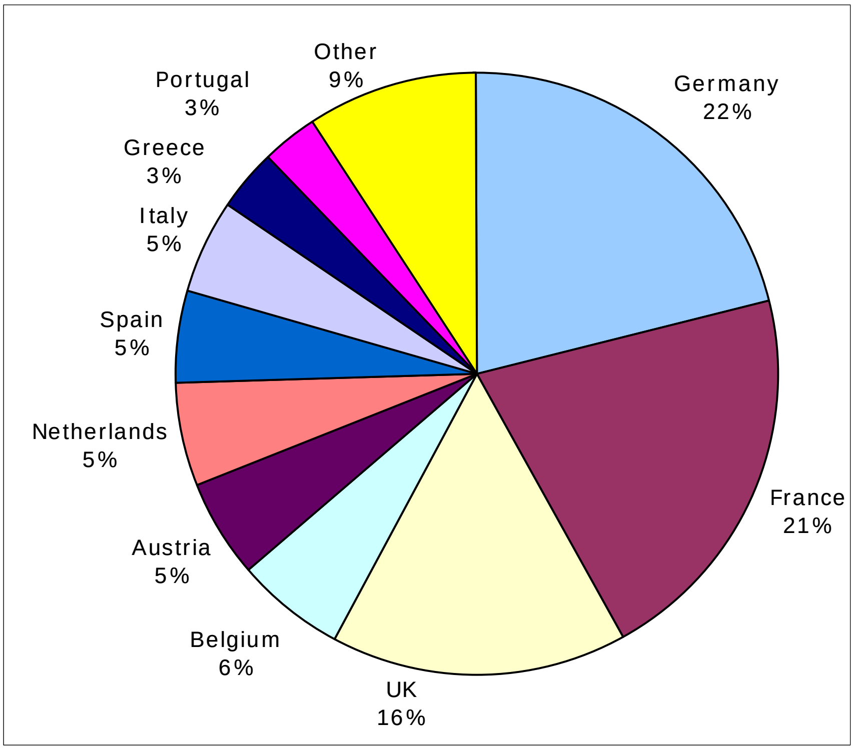


Source: Eurostat (2004)

Between 2000 and 2002, the value of EU imports increased by 7 percent while its volume decreased by 10 percent. Changes in volume and value of imports were very different for the respective EU Member States, however.

Differences across product groups with respect to changes in volume and value between EU Member States will be discussed in this section for Germany, France, United Kingdom, Austria, Belgium and the Netherlands. An overview of the largest EU importers of sanitary ware and ceramic tiles is provided in figure 5.2.

Figure 5.2 Largest EU importers of sanitary ware & ceramic tiles, 2002



Source: Eurostat (2004)

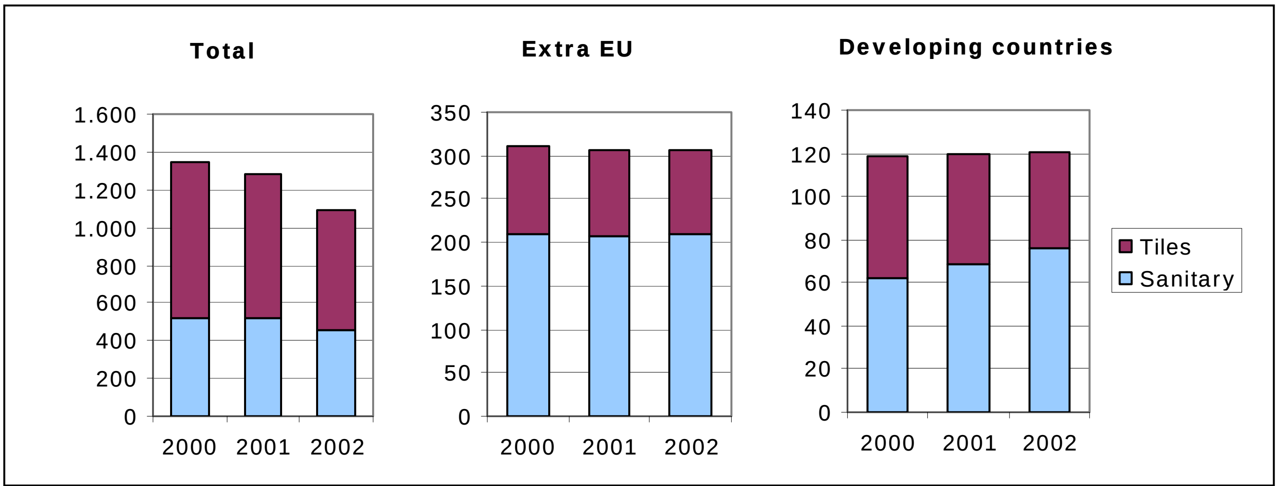
As shown in figure 5.2, Germany is the largest EU importer of sanitary ware and ceramic tiles, with imports valued at € 1,090 million in 2002. Since 2000, its share in total EU imports declined by 13 percent. France, the second largest EU importer (€ 1,046 million), slightly increased its share of imports between 2000 and 2002. The United Kingdom is Europe's third largest importer followed by Belgium, Austria, the Netherlands, Italy and Spain.

In 2002, intra-EU imports accounted for most of total EU imports (80 percent in value and 81 percent in volume originated from within the EU). Developing countries accounted for 10 percent of total value and 12 percent of total volume of EU imports. Turkey, which accounted for 4 percent of total EU imports, is the largest non-EU country supplying the EU market.

The most important developing countries in supplying EU imports, after Turkey (€ 219 million), are China (€ 88 million), Egypt (€ 54 million), South Africa (€ 21 million), Morocco (€ 21 million), Thailand (€ 21 million) and Tunisia (€ 15 million).

Germany
In 2002, German imports of sanitary ware and ceramic tiles amounted to € 1,089 million with a total volume of 1,304 thousand tonnes. Compared to 2000, this was 13 percent lower in value and 32 percent lower in volume. This is mainly caused by the economic recession in Germany, which started earlier than in other European countries. Moreover, Germany's recession is somewhat stronger than in other European countries, partly on account of Germany's still bearing the costs of unification. Imports from extra EU countries, including developing countries decreased with 1.6 percent in value and with 12 percent in volume to respectively € 294 million and 328 thousand tonnes.

Figure 5.3 Overview of German imports in million €, 2000 – 2002



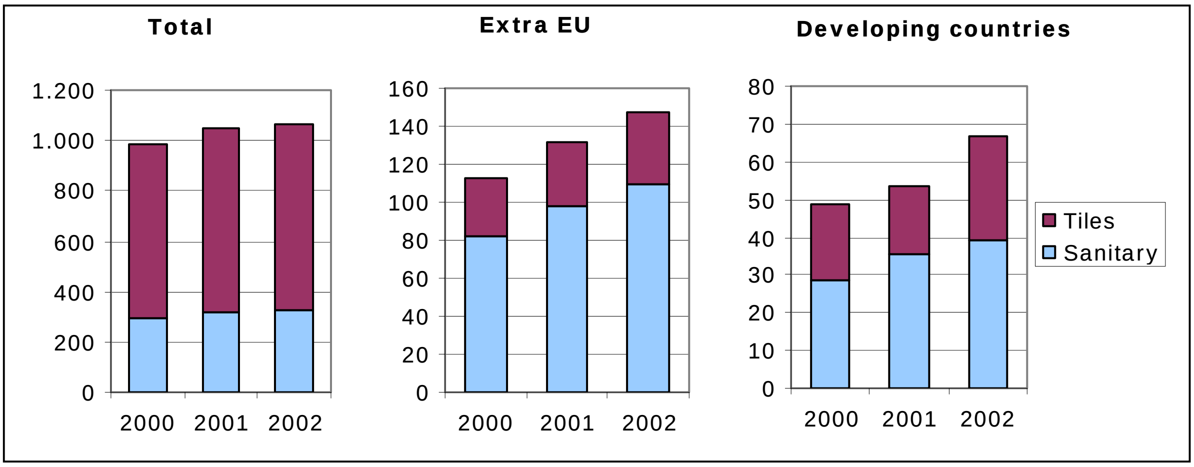
Source: Eurostat (2004)

In 2001, imports of ceramic tiles represented 58 percent of total German imports of sanitary ware and ceramic tiles. Glazed ceramic tiles accounted for 45 percent of total German imports of sanitary ware and ceramic tiles, amounting to € 492 million with a volume of 934 thousand tonnes. Unglazed ceramic tiles accounted for 13 percent of total German imports amounting to € 143 million with a volume of 239 thousand tonnes. For both glazed and unglazed ceramic tiles, close to 98 percent of imports consist of flags and paving, hearth or wall tiles larger than 7 centimetres. Compared to 2000, Germany's imports in 2002 of glazed ceramic tiles decreased by 30 percent in value and by 24 percent in volume. German imports of unglazed ceramic tiles decreased by 18 percent in value, whereas a 46 percent decrease in volume is reported.

In 2002, imports of sanitary ware represented 42 percent of total German imports of sanitary ware and ceramic tiles. During the 2000 - 2002 period, imports of sanitary ware decreased by 5 percent in value and by 16 percent in volume. Sanitary ware made of plastics accounted for 19 percent of the value of total German imports of sanitary ware and ceramic tiles amounting to € 212 million with a volume of 34 thousand tonnes. Baths of steel sheet saw a decline too: 51 percent in value and 60 percent in volume. Furthermore, a sharp decline 27 percent was seen in the volume of imports of plastic baths, showers and washbasins although the value of imports increased with an astonishing 125 percent.

France
In 2002, French imports of sanitary ware and ceramic tiles amounted to € 1,068 million with a total volume of 1,523 thousand tonnes. Compared to 2000, the value of French imports of sanitary ware and ceramic tiles rose by 12 percent although total volume stabilized, implying that more expensive items were imported.

Figure 5.4 Overview of French imports in million €, 2000 – 2002



Source: Eurostat (2004)

In 2002, imports of ceramic tiles represented 69 percent of total French imports of sanitary ware and ceramic tiles. Glazed ceramic tiles accounted for 59 percent of total French imports of sanitary ware and ceramic tiles, amounting to € 625 million with a volume of 1,179 thousand tonnes. Unglazed ceramic tiles accounted for 10 percent of total French imports, amounting to € 115 million with a volume of 222 thousand tonnes. In both glazed and unglazed ceramic tiles, close to 99 percent of imports consist of flags and paving, hearth or wall tiles larger than 7 centimeters. Compared to 2000, imports of glazed ceramic tiles increased by 6 percent in value and stabilized in volume in 2002. French imports of unglazed ceramic tiles increased by 11 percent in value and by three percent in volume.

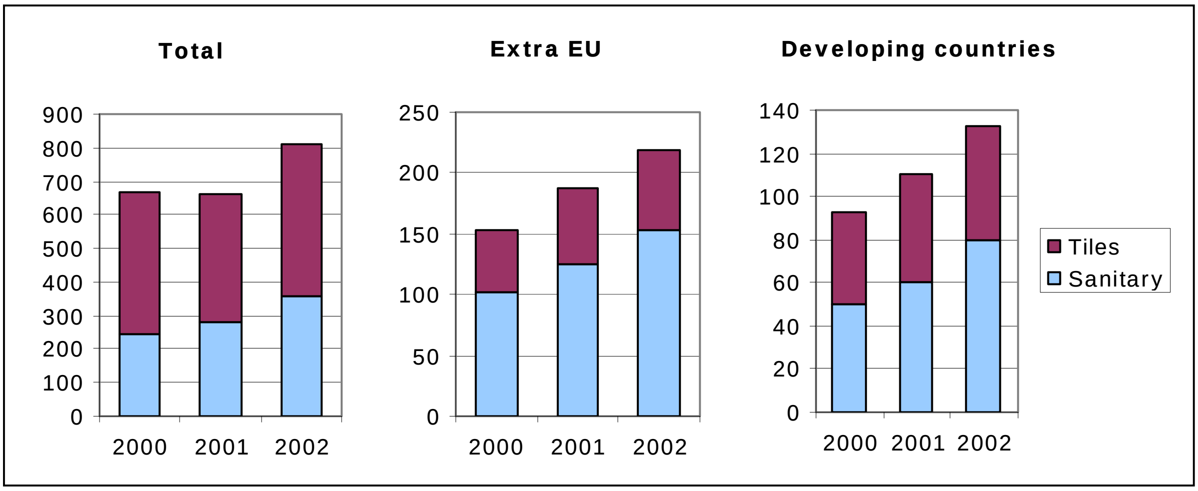
In 2002, imports of sanitary ware represented 31 percent of total French imports of sanitary ware and ceramic tiles. Sanitary ware made of ceramics accounted for 13 percent of the value of total French imports of sanitary ware and ceramic tiles amounting to € 137 million with a volume of 80 thousand tonnes. During the 2000 - 2002 period imports of sanitary ware made of ceramics increased by eight percent in value and decreased by one percent in volume.

In 2002, France imported € 142 million worth of plastic sanitary articles. Compared to 2000, the value of plastic sanitary imports in 2002 had increased by 69 percent while the imported volume increased by 11 percent.

In 2002, French imports of sanitary ware made of iron or steel amounted to € 50 million with a volume of 12 thousand tonnes. Compared to 2000, imports of sanitary ware made of iron or steel had increased in 2002 by three percent in value and decreased by four percent in volume.

United Kingdom
In 2002, UK imports of sanitary ware and ceramic tiles amounted to € 812 million with a total volume of 788 thousand tonnes. Compared to 2000, this was an increase of 26 percent in value and 22 percent in volume. Imports from countries outside the EU amounted to 23 percent of total imports, 16 percent of the UK imports originated from developing countries.

Figure 5.5 Overview of British imports in million €, 2000 – 2002



Source: Eurostat (2004)

In 2002, imports of ceramic tiles represented 56 percent of total UK imports of sanitary ware and ceramic tiles. Glazed ceramic tiles accounted for 51 percent of UK imports of sanitary ware and ceramic tiles amounting to € 414 million with a volume of 620 thousand tonnes. Unglazed ceramic tiles accounted for five percent of total UK imports amounting to € 42 million with a volume of 50 thousand tonnes. Flags and paving, hearth or wall tiles larger than 7 centimeters are the most important product group in both glazed tiles and unglazed tiles (95 percent). Compared to 2000, UK imports in 2002 of glazed ceramic tiles increased by 9 percent in value and by 21 percent in volume. UK imports of unglazed ceramic tiles increased by 13 percent in value and volume remained stable.

In 2002, imports of sanitary ware represented 44 percent of total UK imports of sanitary ware and ceramic tiles. Sanitary ware made of plastics accounted for 29 percent of the value of total UK imports of sanitary ware and ceramic tiles, amounting to € 103 million with a volume of 19 thousand tonnes. During the 2000-2002 period imports of sanitary ware made of plastics increased by 143 percent in value and by 40 percent in volume.

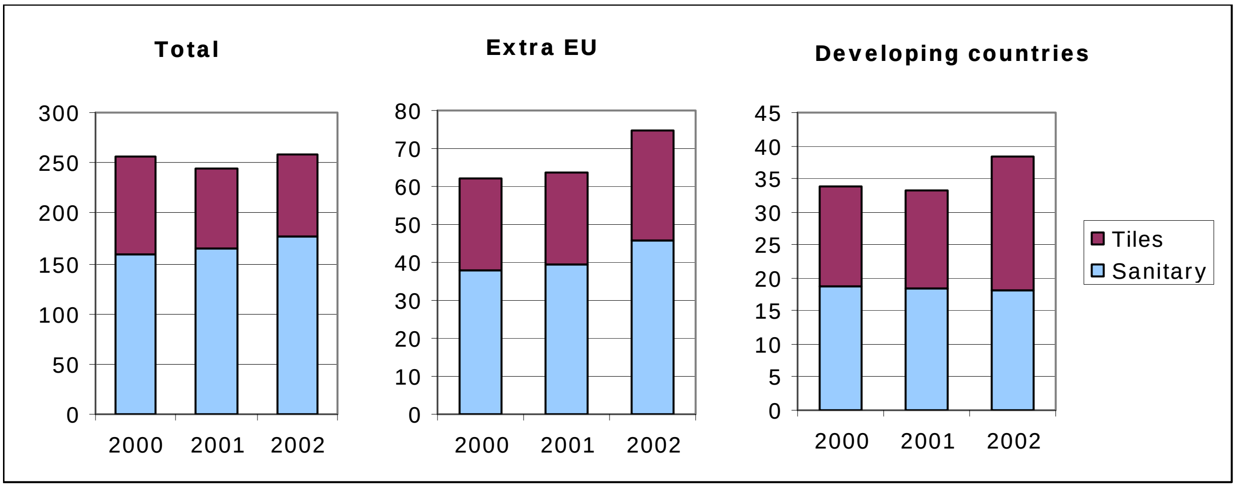
In 2002, the United Kingdom imported € 144 million worth of ceramic sanitary articles. Compared to 2000, the value of ceramic sanitary imports in 2002 increased by 43 percent in value, while the imported volume increased by 41 percent.

In 2002, UK imports of sanitary ware made of iron or steel amounted to € 109 million with a volume of 26 thousand tonnes. Compared to 2000, imports of sanitary ware made of iron or steel had increased in 2002 by 30 percent in value and by 33 percent in volume.

Italy

In 2002, Italian imports of sanitary ware and ceramic tiles amounted to € 258 million with a total volume of 234 thousand tonnes. Compared to 2000, this was an increase of nine percent in value and a six percent decrease in volume. Imports from developing countries increased by 14 percent in value and by 28 percent in volume. The share of developing countries in total Italian imports amounted to 14 percent, equaling € 38 million with a volume of 74 thousand tonnes.

Figure 5.6 Overview of Italian imports in million €, 2000 – 2002



Source: Eurostat (2004)

In 2002, imports of ceramic tiles represented 32 percent of total Italian imports of sanitary ware and ceramic tiles. Glazed ceramic tiles accounted for 26 percent of Italian imports of sanitary ware and ceramic tiles, amounting to € 67 million with a volume of 142 thousand tonnes. Unglazed ceramic tiles accounted for 6 percent of total Italian imports amounting to € 15 million with a volume of 38 thousand tonnes. Flags and paving, hearth or wall tiles larger than 7 centimeters are the most important product group in both glazed tiles (97 percent) and unglazed tiles (96 percent). Compared to 2000, Italian imports in 2002 of glazed ceramic tiles decreased by 17 percent in value and by ten percent in volume. Italian imports of unglazed ceramic tiles decreased by four percent in value and by one percent in volume.

In 2002, imports of sanitary ware represented 68 percent of total Italian imports of sanitary ware and ceramic tiles. Sanitary ware made of ceramics accounted for 19 percent of the value of total Italian imports of sanitary ware and ceramic tiles amounting to € 50 million with a volume of 33 thousand tonnes. During the 2000-2002 period imports of sanitary ware made of ceramics decreased by ten percent in value, and by 11 percent in volume.

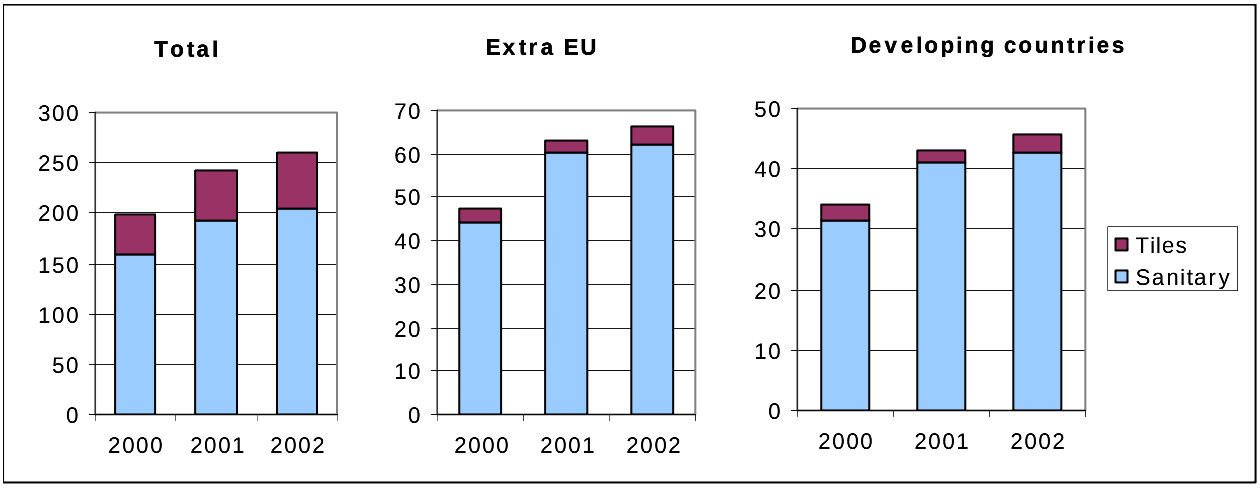
In 2002, Italy imported € 105 million worth of plastic sanitary articles. Compared to 2000, the value of plastic sanitary imports increased by 54 percent in value and by 36 percent in volume.

In 2002, Italian imports of sanitary ware made of iron or steel amounted to € 21 million with a volume of 6 thousand tonnes. Compared to 2000, imports of sanitary ware made of iron or steel had increased in 2002 by 19 percent in value and 21 percent in volume.

Spain

In 2002, Spanish imports of sanitary ware and ceramic tiles amounted to €259 million with a total volume of 189 thousand tonnes. Compared to 2000, value increased by 41 percent and volume by 25 percent. Imports from developing countries amounted to 17 percent of the total value and 21 percent of the total volume, representing a growth of 33 percent in value over the period 2000 – 2002 and a growth in volume of 38 percent.

Figure 5.7 Overview of Spanish imports in million €, 2000 - 2002



Source: Eurostat (2004)

In 2002, imports of ceramic tiles represented 21 percent of total Spanish imports of sanitary ware and ceramic tiles. Glazed ceramic tiles accounted for 15 percent of Spanish imports of sanitary ware and ceramic tiles amounting to € 39 million with a volume of 52 thousand tonnes. Unglazed ceramic tiles accounted for 6 percent of total Spanish imports amounting to € 16 million with a volume of 28 thousand tonnes. Flags and paving, hearth or wall tiles larger than 7 centimetres are the most important product group in both glazed tiles (96 percent) and unglazed tiles (92 percent). Compared to 2000, Spanish imports in 2002 of glazed ceramic tiles increased by 56 percent in value and 43 percent in volume. Spanish imports of unglazed ceramic tiles increased by 6 percent in value and by 3 percent in volume.

In 2002, imports of sanitary ware represented 79 percent of total Spanish imports of sanitary ware and ceramic tiles. Sanitary ware made of plastics accounted for 16 percent of the value of total Spanish imports of sanitary ware and ceramic tiles amounting to € 42 million with a volume of 5 thousand tonnes. During the 2000-2002 period imports of sanitary ware made of plastics increased by a staggering 96 percent in value, but by a mere 8 percent in volume.

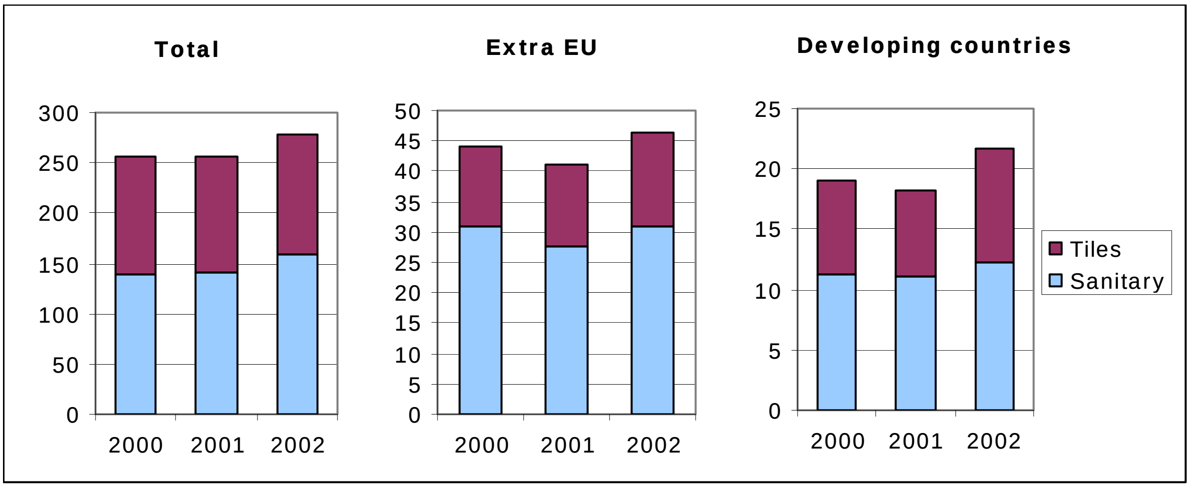
In 2002, Spain imported € 140 million worth of ceramic sanitary articles. Compared to 2000, the value of ceramic sanitary imports in 2002 increased by 35 percent in value and by 27 percent in volume.

In 2002, Spanish imports of sanitary ware made of iron or steel amounted to € 23 million with a volume of 8 thousand tonnes. Compared to 2000, imports of sanitary ware made of iron or steel had increased in 2000 by 17 percent in value, but decreased by one percent in volume.

The Netherlands

In 2002, Dutch imports of sanitary ware and ceramic tiles amounted to € 279 million with a total volume of 254 thousand tonnes. Compared to 2000, this was a increase of 16 percent in value and ten percent in volume. Imports from developing countries increased by 13 percent in value and by 17 percent in volume. The share of developing countries in total Dutch imports amounted to eight percent equaling € 22 million with a volume of 30 thousand tonnes.

Figure 5.8 Overview of Dutch imports in million €, 2000 – 2002



Source: Eurostat (2004)

In 2002, imports of ceramic tiles represented 43 percent of total Dutch imports of sanitary ware and ceramic tiles. Glazed ceramic tiles accounted for 35 percent of Dutch imports of sanitary ware and ceramic tiles, amounting to € 98 million with a volume of 133 thousand tonnes. Unglazed ceramic tiles accounted for eight percent of total Dutch imports amounting to € 22 million with a volume of 92 thousand tonnes. Flags and paving, hearth or wall tiles larger than 7 centimetres are the most important product group in both glazed tiles (98 percent) and unglazed tiles (97 percent). Compared to 2000, Dutch imports in 2002 of glazed ceramic tiles decreased by six percent in value and by 27 percent in volume. Dutch imports of unglazed ceramic tiles increased by 58 percent in value and by as much as 234 percent in volume.

In 2002, imports of sanitary ware represented 57 percent of total Dutch imports of sanitary ware and ceramic tiles. Sanitary ware made of plastics accounted for 30 percent of the value of total Dutch imports of sanitary ware and ceramic tiles amounting to € 82 million with a volume of 12 thousand tonnes. During the 2000-2002 period imports of sanitary ware made of plastics increased by 54 percent in value and by ten percent in volume.
In 2002, the Netherlands imported € 40 million worth of ceramic sanitary articles. Compared to 2000, the value of ceramic sanitary imports increased by 13 percent in value and by 16 percent in volume.

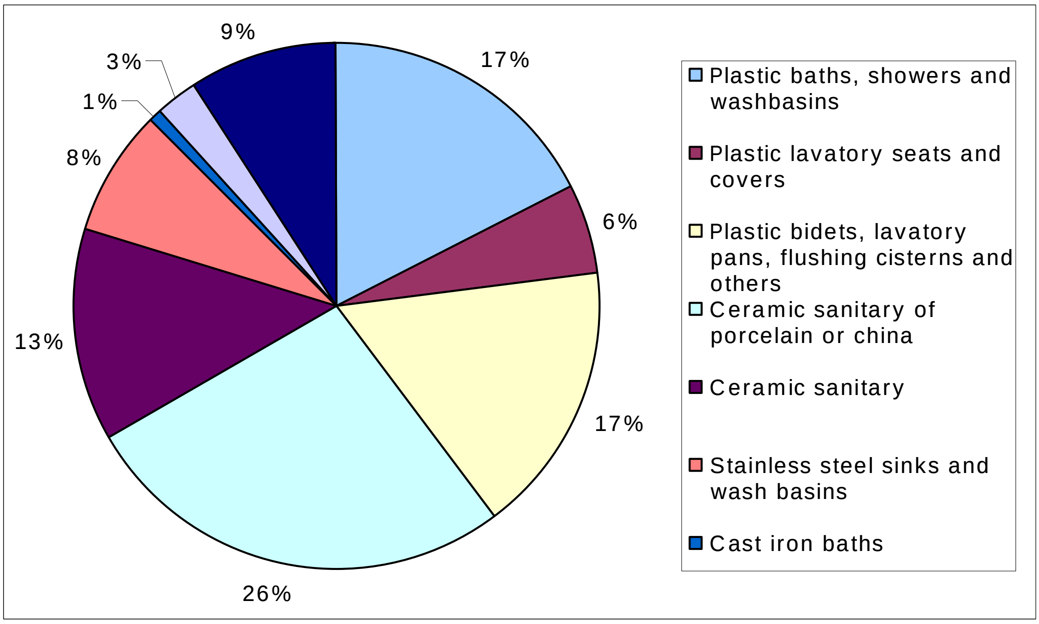
In 2002, Dutch imports of sanitary ware made of iron or steel amounted to € 36 million with a volume of 5 thousand tonnes. Compared to 2000, imports of sanitary ware made of iron or steel had increased in 2002 by 16 percent in value, but decreased by five percent in volume.

5.2 Imports by product group

EU imports of sanitary ware
In 2002, the EU imported € 2,286 million of sanitary ware, which was about 40 percent of EU imports of sanitary ware and ceramic tiles.

Since 2000, imports of sanitary ware increased by 26 percent in value and rose by six percent in volume. Almost a third of imports came from outside the EU, with developing countries accounting for 15 percent of total EU imports of sanitary ware. The segment of ceramic sanitary products of porcelain or china constituted the largest share (27 percent) of EU imports of sanitary articles, followed by the group of plastic baths, showers and washbasins (17 percent) and plastic bidets, lavatory pans, flushing cisterns and others (17 percent).

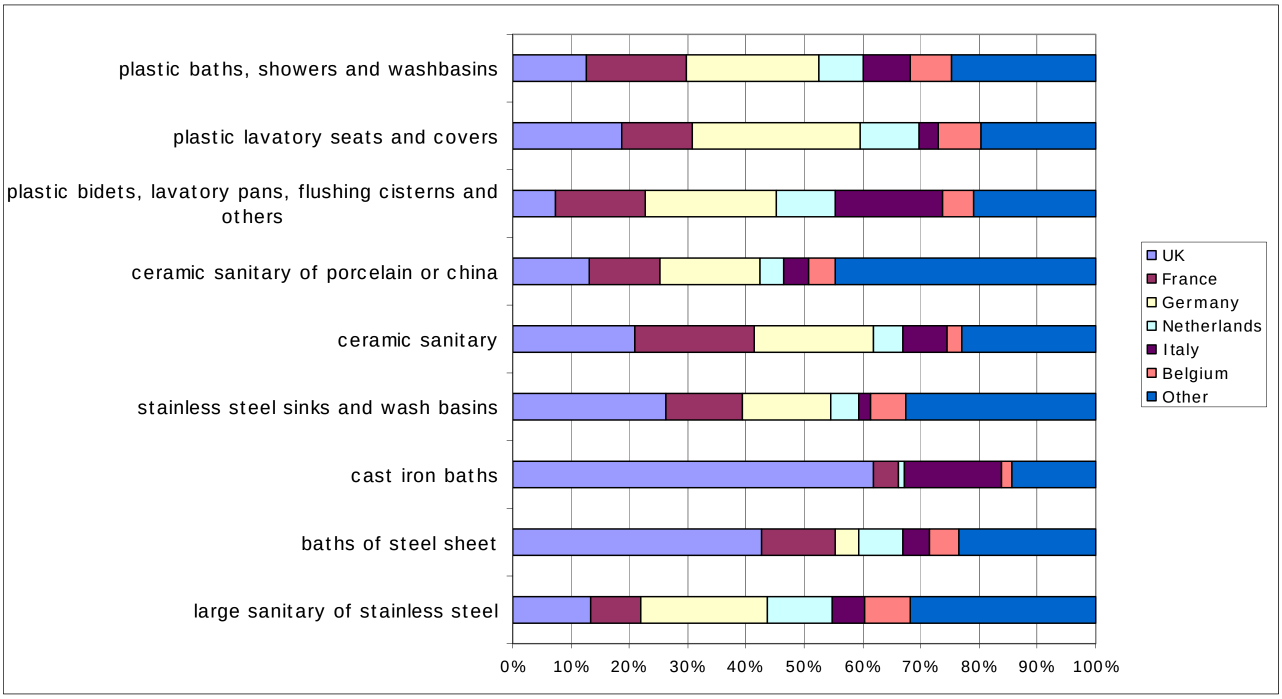
Figure 5.9 Shares of product groups in EU import of sanitary ware, 2002



Source: Eurostat (2004)

Among the EU countries, large variations exist in the distribution of imports of the different product groups. The market for the import of cast iron baths is for example predominantly British, whereas Germany constitutes the largest import market for plastic lavatory seats and covers.

Figure 5.10 Share of selected EU markets in total value of EU sanitary ware imports by product group, 2002



Source: Eurostat (2004)

Large plastic sanitary components
Imports of plastic sanitary articles amounted to 148 thousand tonnes in 2002, or € 906 million, thereby being the largest product group. Imports rose by four percent in volume, and by 55 percent in value. Imported volumes from non-EU countries increased by 15 percent in volume, and by four percent in value. The value as of imports from developing countries in the 2000-2002 period rose by 19 percent and the volume with four percent.

Plastic baths, showers and washbasins
Baths, showers and washbasins make up for the largest segment of large plastic sanitary ware and components, amounting to 397 million in 2002. This value has increased spectacularly since 2000 with 292%, although volume only increased with one percent.

Plastic bidets, lavatory pans, flushing cisterns and others
EU Imports of plastic bidets, lavatory pans, flushing cisterns and others make up the second largest segment of large plastic sanitary ware and components, amounting to € 377 million in 2002, 1 percent more in value than in 2000.

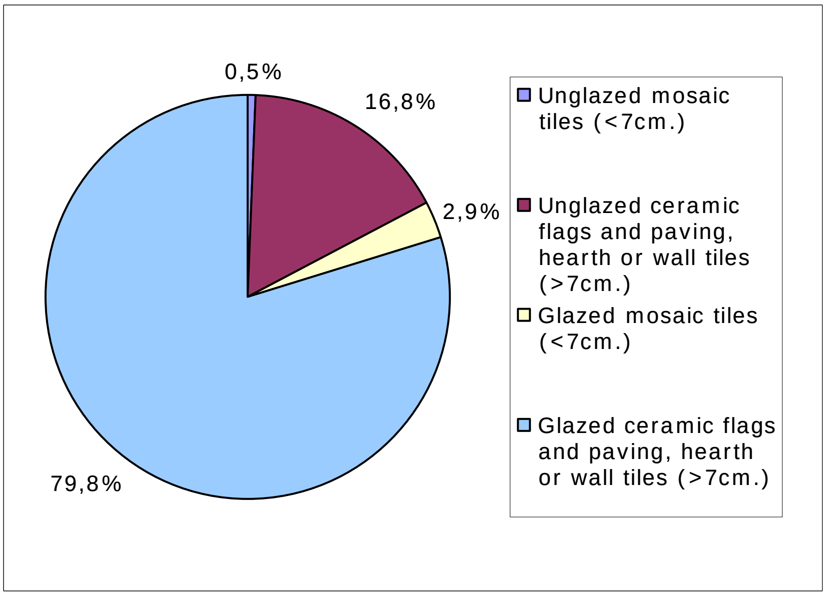
Plastic lavatory seats and covers
EU Imports of plastic lavatory seats and covers amounted to € 131 million in 2002, 23 percent more in value than in 2000.

Large ceramic sanitary components
In 2002, EU imports of ceramic sanitary components amounted to € 918 million (with a volume of 463 thousand tonnes), which was 40 percent of total imports of sanitary ware. The largest share (68 percent) consisted of sanitary components of porcelain or china. Since 2000 EU imports of ceramic sanitary increased by 12 percent in value and seven percent in volume. Imports of ceramic sanitary of other materials than porcelain or china, constituted the other 32 percent. This product group has increased by 14 percent in value since 2000.

Large iron/steel sanitary components
Large iron/steel sanitary components is the smallest product group in imports, amounting to € 462 million (89 thousand tonnes). In the 2000-2002 period, EU imports of large iron/steel sanitary components rose by 10 percent in value, and four percent in volume. Large sanitary of stainless steel is the most important product group within the group of large iron/steel components, constituting 46 percent of the total. This is followed by stainless steel sinks and washbasins, with 38 percent of the total.

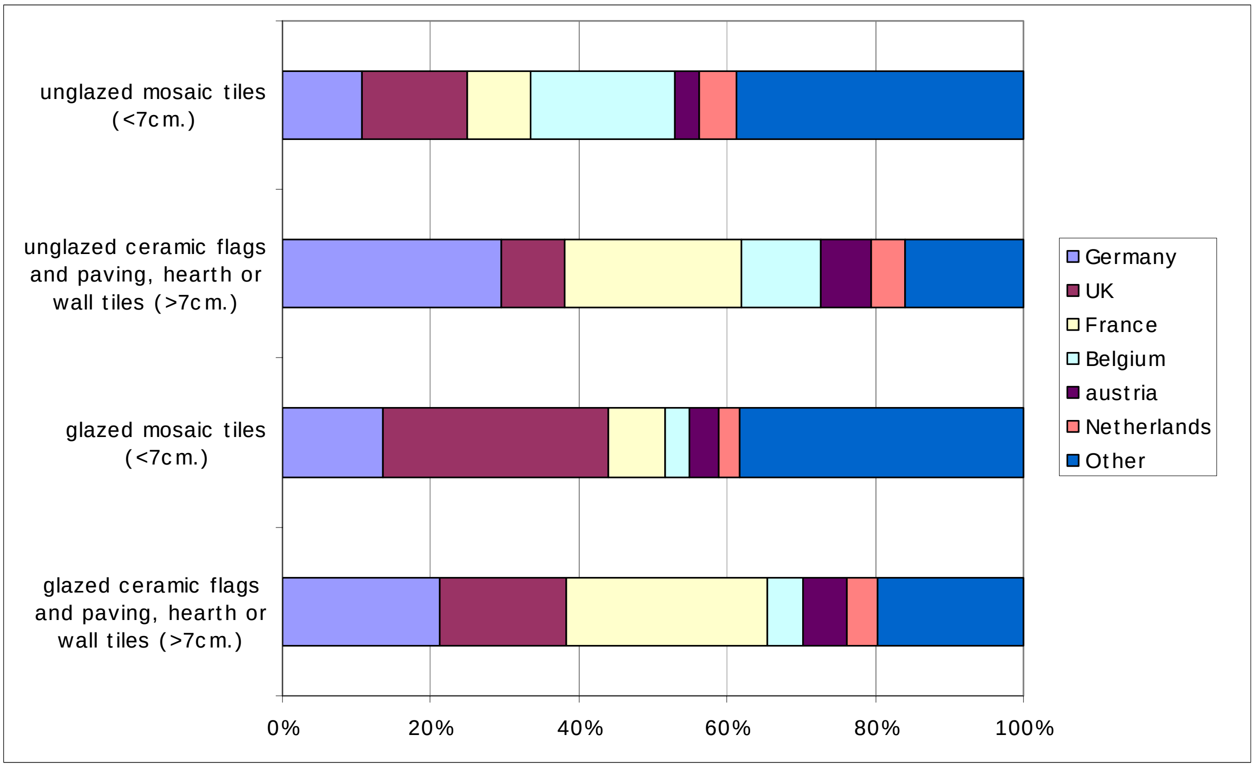
EU imports of ceramic tiles
Tiles, of various types, account for 55 percent of total EU imports of sanitary ware and ceramic tiles. In 2002, the EU imported 5,260 thousand tonnes of tiles with a value of € 2,848 million. This represented a decline in value and volume of respectively six and 12 percent compared to 2000. The vast majority of imports are glazed tiles (83 percent) as opposed to unglazed tiles (17 percent).

Figure 5.11 Shares of product groups in EU import of ceramic tiles, 2002



Source: Eurostat (2004)

Figure 5.12 Share of selected EU markets in total value of EU ceramic tiles imports by product-group, 2002



Source: Eurostat (2004)

Unglazed ceramic flags and paving, hearth or wall tiles
Although unglazed ceramic tiles accounted for only 17 percent of all tiles imported by EU countries in 2002, total imports still amounted to 968 thousand tonnes in volume and € 492 million in value. Between 2000 and 2002, imports of these tiles slightly increased in value (by three percent) and decreased by seven percent in volume.

Few EU countries imported unglazed tiles on a large scale. Of these, Germany is the largest importer and accounts for 30 percent of EU imports of unglazed tiles. France accounts for 24 percent of EU imports, followed by Belgium (11 percent), the United Kingdom (eight percent), and the Netherlands (seven percent).

Glazed ceramic flags and paving, hearth or wall tiles
This product group accounts for almost half the total value of EU imports covered by this document. In 2002, EU countries imported € 2,357 million (4,292 thousand tonnes) of products in this category. Out of this total, € 2,273 million was for tiles larger than 7 cm, with the remaining € 84 million accounted for by glazed tiles for mosaics. During the period 2000-2002, the volume and value of total imports declined by six and 12 percent respectively.

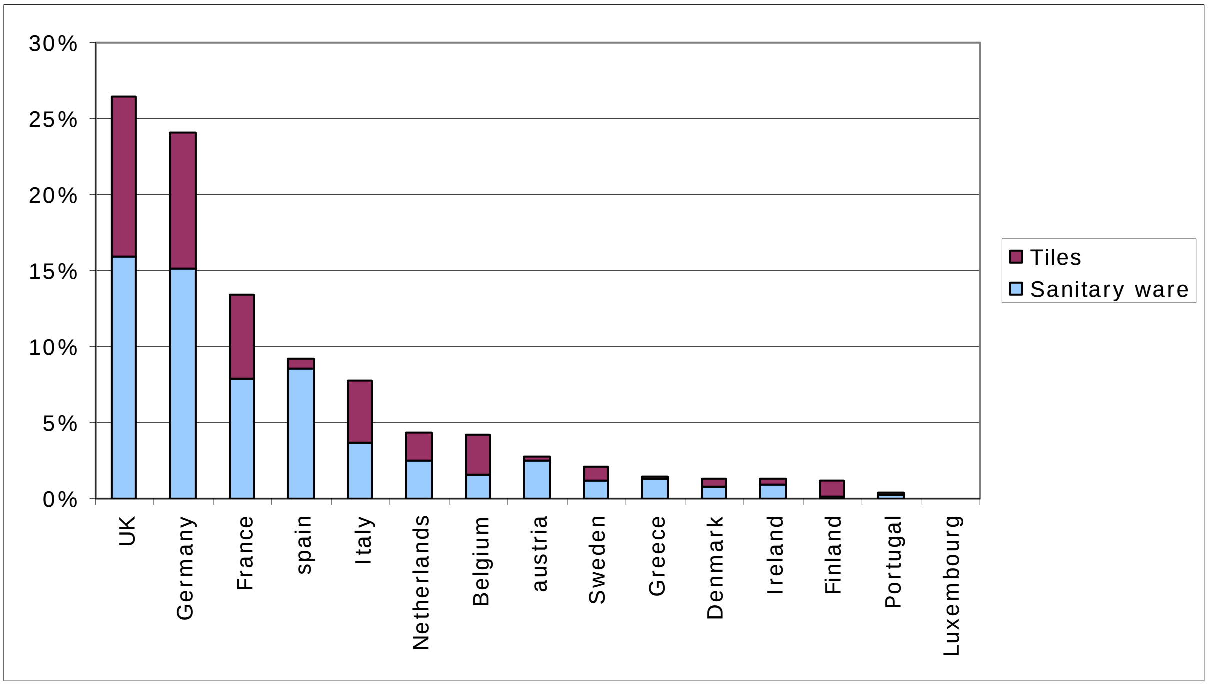
In 2002, France was the largest EU importer. France's imports of glazed tiles amounted to € 619 million) (27 percent of total EU imports of glazed ceramic tiles), immediately followed by Germany (21 percent), The United Kingdom (17 percent), Austria (six percent), Belgium (five percent) and Greece (five percent).

5.3 The role of developing countries

In 2002, EU imports of sanitary ware and ceramic tiles from developing countries amounted to € 493 million with a volume of 703 thousand tonnes. Sanitary ware represented 62 percent of the total value of imports originating from developing countries, the remaining 38 percent represent imports of ceramic tiles.

Figure 5.13 shows imports from developing countries by destination. Germany and the UK together account for more than half of all imports from developing countries. France, Spain, and Italy also show sizeable imports, whereas all other countries individually account for only a small fraction of less than five percent.

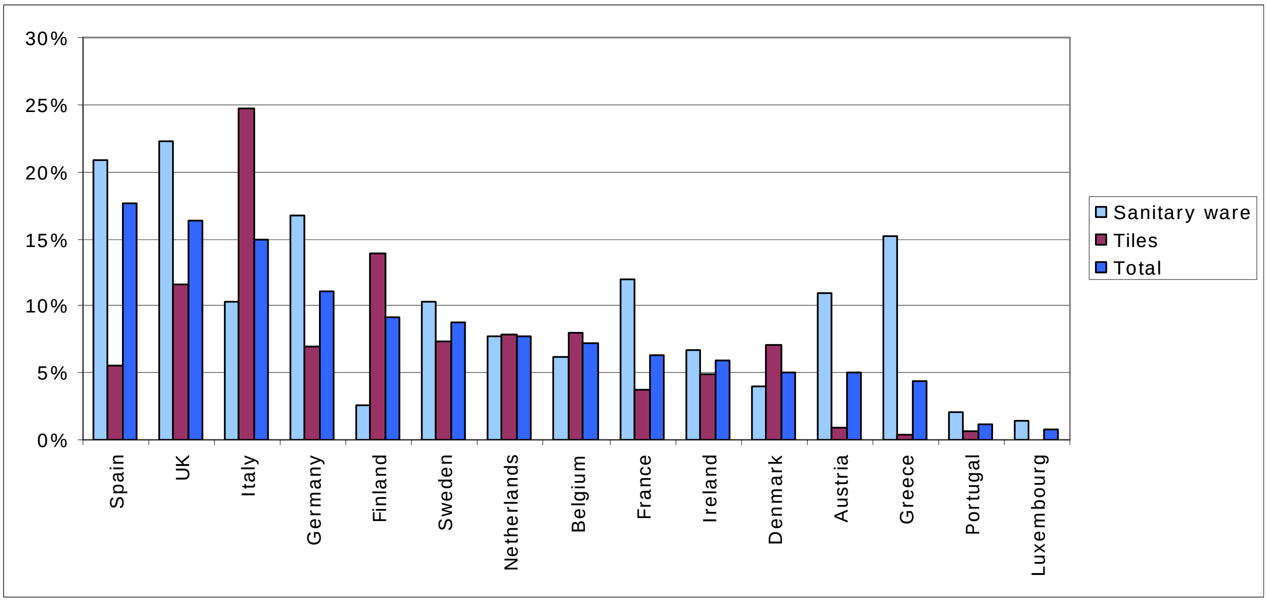
Figure 5.13 EU imports from developing countries, share by destination, 2002



Source: Eurostat 2004

Nevertheless, Figure 5.14 presents an overview of the share of imports from developing countries for each EU member state. In relative terms, Spain imports the most ceramic tiles and sanitary ware from developing countries (18 percent), followed by the UK and Italy. Developing countries have the highest share in imports of sanitary ware in the UK(22 percent). Italy has the highest share of imports from developing countries in the ceramic tiles segment (25 percent).

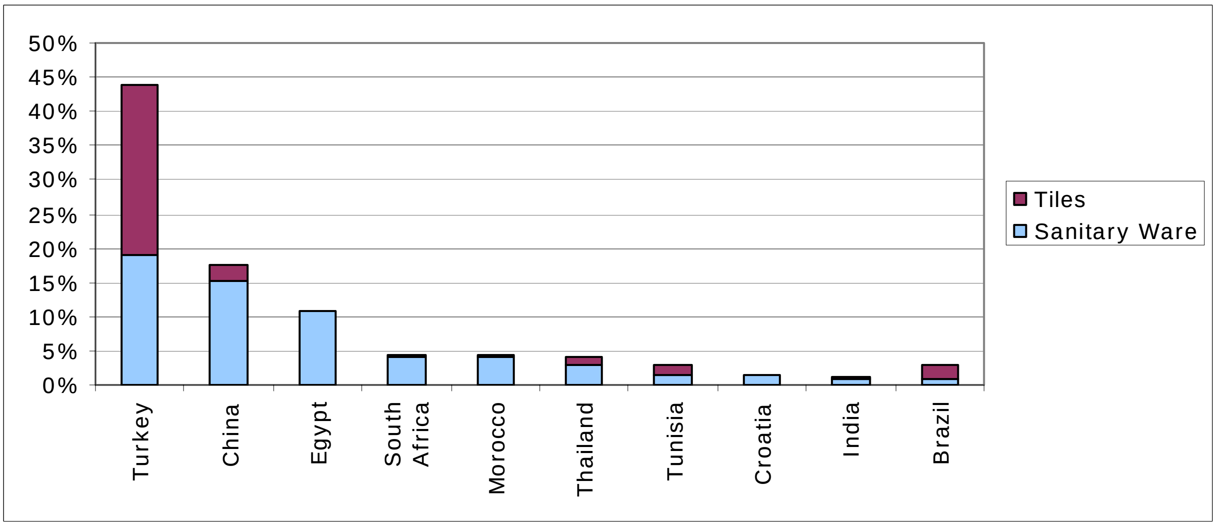
Figure 5.14 Share of developing countries in total imports, by destination, 2002



Source: Eurostat 2004

Figure 5.15 presents an overview of the countries of origin of EU imports from developing countries. As can be seen, most imports originate from Turkey, while China and Egypt also appear sizable exporters.

Figure 5.15 Countries of origin of EU imports from developing countries as percentage of total EU imports (in euro) from developing countries, 2002



Source: Eurostat (2004)

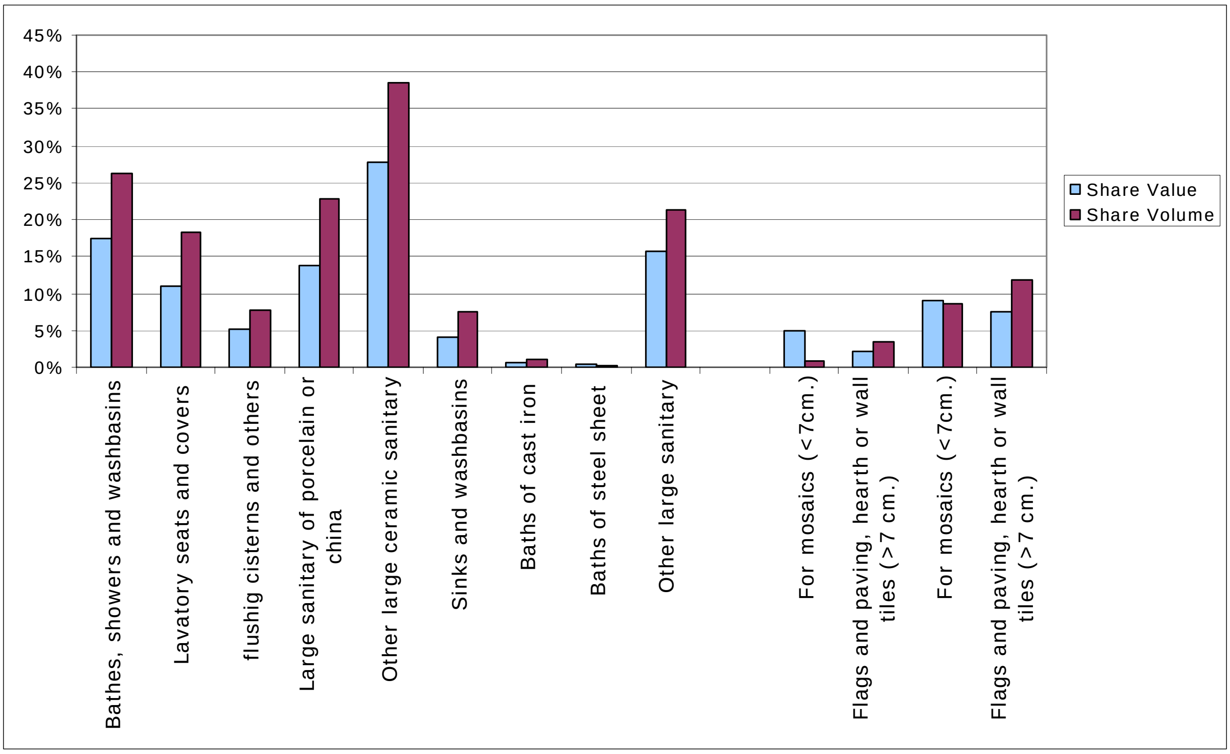
44 percent of EU imports of sanitary ware and ceramic tiles from developing countries originated from Turkey. Since 2000, Turkey registered a growth in the value of its exports of sanitary ware and ceramic tiles of 15 percent. Turkey was the leading developing country exporter to the EU of both sanitary ware and ceramic tiles.

China was the second largest supplier of EU imports, accounting for 17 percent of EU imports of sanitary ware and ceramic tiles from developing countries. The value of imports from China has increased by 15 percent since 2000.

Other important exporters from emerging and developing countries are Egypt (supplying 11 percent of total EU imports from developing countries in 2002), South Africa (four percent), Morocco (four percent), Thailand (four percent) and Tunisia (three percent). The spectacular growth rate of imports from China has been at the cost of Croatia (minus 15 percent) and Egypt and Morocco, which showed a very low rate of growth. Other good performers were South Africa and Tunisia with growth rates of 31 and 41 percent respectively. Overall, imports from developing countries have grown with 19 percent.

Imports from developing countries constituted ten percent of the value of total imports in 2002. As the volume of these imports constituted 12 percent of the total, it can be concluded that developing countries supply products in the lower-cost segment. Figure 5.16 provides an overview of volumes and values of imports from developing countries from all product categories.

Figure 5.16 Share of EU imports from developing countries, 2002



Source: Eurostat (2004)

The product group other large ceramic sanitary has the largest share of the imports from developing countries with 28 percent in value and 39 percent in volume. In ceramic tiles, the share of developing countries in imports is in general lower in relative terms than in sanitary ware. However, the market for ceramic tiles is larger, so the difference in absolute terms is smaller. Furthermore, the shares of value and volume are more similar in imports of ceramic tiles, implying that imports from developing countries are less concentrated in the cheaper market segments than is the case in sanitary ware.

6 EXPORTS

With respect to interpreting the data, the same precautions are needed in this chapter as mentioned in chapter 5. Please refer to Appendix 1 for more extensive export figures.

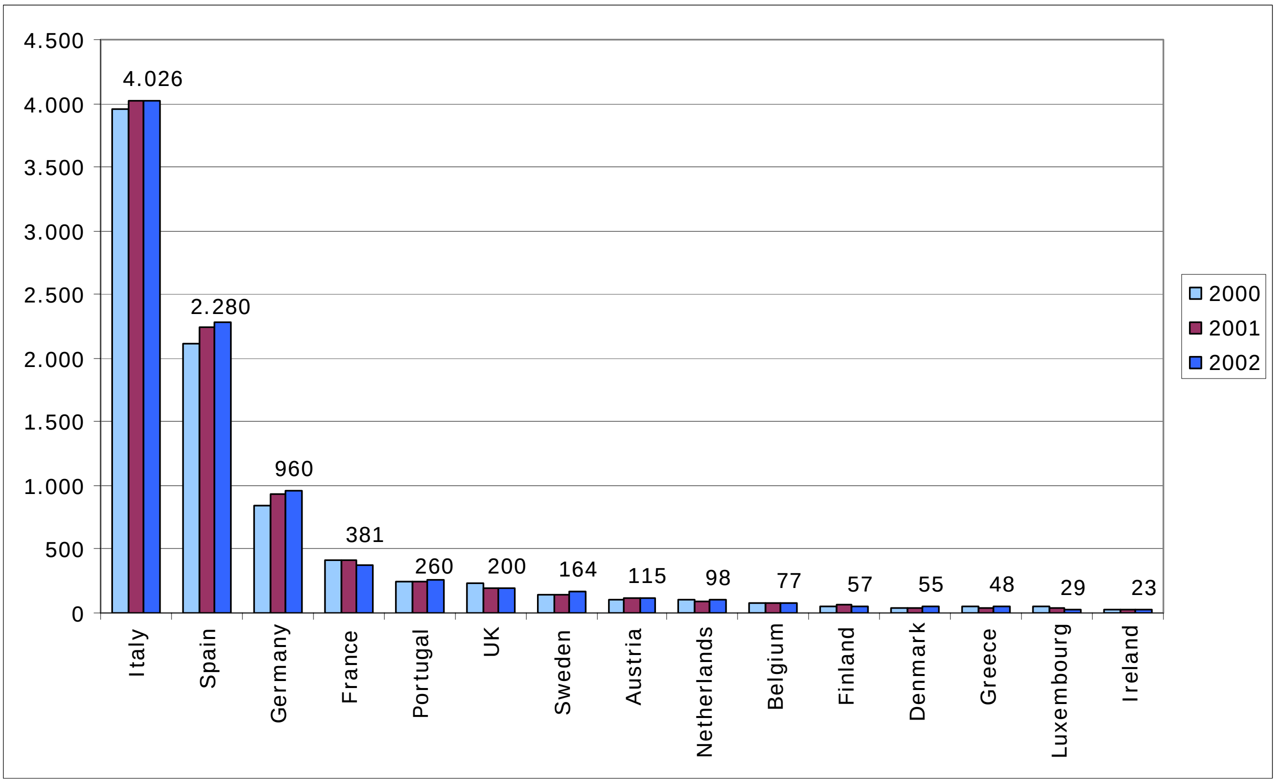
In 2002 the EU member states exported 14,225 thousand tonnes of sanitary ware and ceramic tiles representing a total value of € 8,758 million. The value of these exports rose by four percent and the volume by three percent compared to 2000. Approximately one third of the total value of EU exports of sanitary ware and ceramic tiles consisted of sanitary ware, the other two thirds consisted of ceramic tiles.

The most important EU export product group was glazed ceramic flags and paving, hearth or wall tiles larger than 7 centimetres. In 2002, exports of these products amounted to 56 percent of total EU exports of sanitary ware and ceramic tiles, which mainly came from the largest producing countries Italy and Spain.

EU export figures also incorporate intra-EU trade. The largest share of exports, 11 percent of total value of EU exports, went to Germany. The other large importer within the EU was France with 11 percent of the total. Overall, the United States is the largest importer of sanitary ware and ceramic tiles exports from Europe. In 2002, 12 percent (€ 1,084 million) of EU export went to the United States.

Italy and Spain are by far the largest European exporters, with 46 and 26 percent of total exports respectively. Germany is the third largest exporter with 11 percent of the market. All other countries have market shares of below five percent.

Figure 6.1 Exports Sanitary Ware & Ceramic Tiles in million €, 2000 - 2002



Source: Eurostat (2004)

Germany
In 2002 Germany sold 496 thousand tonnes of sanitary ware and ceramic tiles to other countries with a value of € 960 million thereby being the third largest exporter from the EU. Since 2000 its exports increased by 20 percent in value (and six percent in volume). Germany's exports to developing countries went up by 30 percent in value and increased by nine percent in volume. In 2002, Germany's most important exports of sanitary ware and ceramic tiles were large plastic sanitary equipment (33 percent share of value), glazed ceramic tiles (19 percent of total value), large ceramic components (eight percent of total value) and large iron/steel sanitary components (six percent of total value).

France
In 2002, French exports of sanitary ware and ceramic tiles amounted to € 381 million with a volume of 354 million tonnes. Compared to 2000 French exports have increased in value (one percent) but decreased in volume (nine percent). About one third of French exports went to markets outside the EU, with 12 percent going to developing countries. Most important French export products of sanitary ware and ceramic tiles were unglazed and glazed ceramic tiles with 19 and 62 percent of total exports.

United Kingdom
Between 2000 and 2002, British exports increased by six percent in value and five percent in volume to € 200 million and 60 thousand tonnes respectively. 31 percent of UK exports belong to the group of sanitary ware made of ceramic. Glazed ceramic tiles represent 32 percent of the value of UK exports of sanitary ware and ceramic tiles. The share of UK exports to developing countries, around 16 percent in value, is relatively large.

Italy
Italian exports amounted to € 4,026 million and 7 million tonnes in 2002. Between 2000 and 2002, Italian exports rose by 4 percent in value, but decreased by 2 percent in volume. Approximately 61 percent of Italian exports consists of glazed ceramic tiles. Sanitary ware makes up only 13 percent of total exports.

Spain
In 2002, Spanish exports increased by 9 percent in value and by 12 percent in volume to € 2,280 million and 5,884 thousand tonnes respectively. The value of the exports of glazed ceramic tiles amounted to 85 percent of total exports. 12 percent of the value originated from exports from sanitary ware, with ceramic sanitary being the largest category.

The Netherlands
The volume of Dutch exports of sanitary ware and ceramic tiles has declined severely by 23 percent during the 2000-2002 period, but the value of exports has increased with 13 percent. In 2002, Dutch exports amounted to € 98 million (70 thousand tonnes). The Netherlands could only claim to be the ninth largest EU exporter of sanitary ware and ceramic tiles in 2002. About one quarter of Dutch exports was exported outside the EU. The share of Dutch exports to developing countries stabilised at four percent in 2002, which was the same as in 2000. The most important product groups for Dutch exports were large plastic sanitary equipment (38 percent) and glazed ceramic tiles (21 percent).

7 TRADE STRUCTURE

7.1 EU trade channels

The trade channels in European countries are characterised by a strong division into functions. Graphically the distribution network is presented below. In the EU the most important distribution channel is the wholesale channel. Relatively new trade channels that are becoming important are the DIY channel and the “bathroom boutiques”. Another channel to be mentioned is based on the installer with his own showroom or shop. In most cases, these companies are buying directly from the manufacturers or importers.

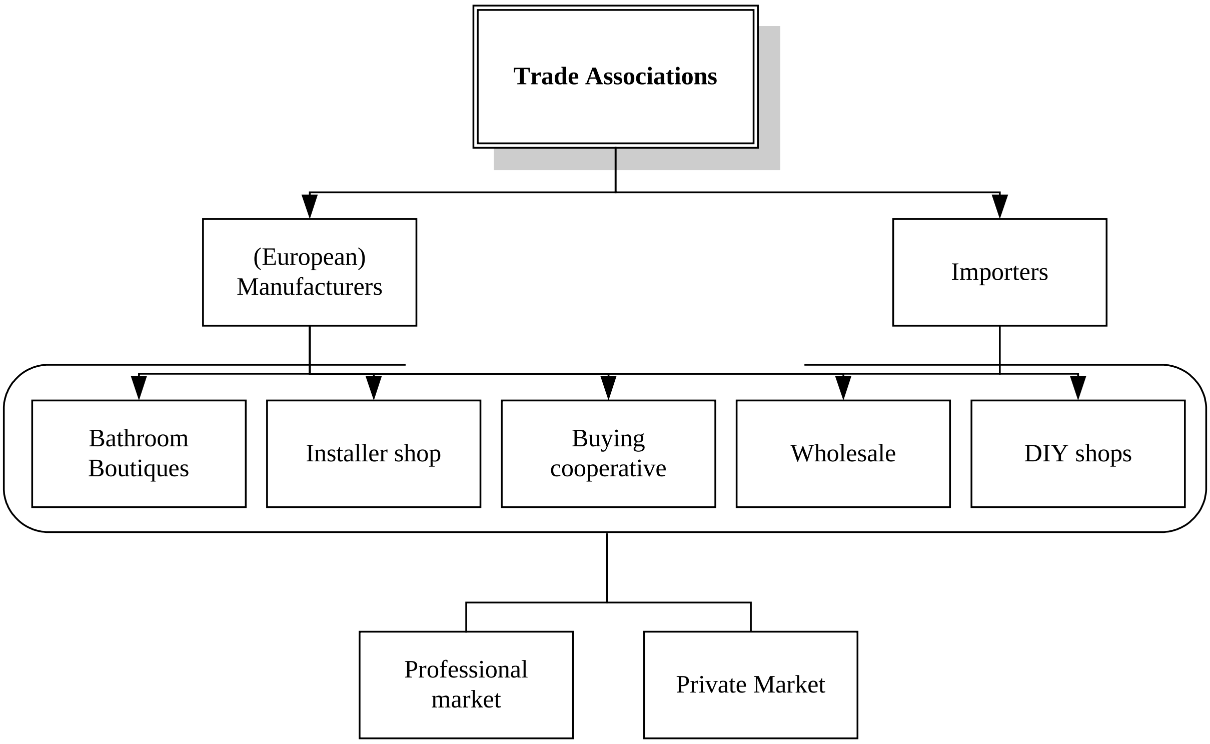
Both sanitary ware and ceramic tiles are mainly sold through the wholesale channel, through which products are subsequently sold to installers. The percentage of sales through this channel accounts for up to 90 percent of sales in some European countries including Portugal and Switzerland. In France, 70 percent of sales are made through the wholesale channel.

In the Netherlands and to some extend also in the UK, houses traditionally have been erected on the basis of an initiative of professional project development companies or housing associations. The individual consumer (buyer or tenant) was therefore not able to make his own choices in the field of sanitary ware and tiles. As a consequence, the replacement market for tiles and sanitary ware is rather big in these countries. Nowadays, the influence of the consumer is rapidly growing, although it still remains limited compared to other countries. In the other countries, tiles and sanitary ware are traditionally chosen by the consumer or the architect.

In the housing market, tiles and sanitary ware are currently purchased at the professional installer who sends his customers to the wholesale showroom where they are able to choose the particular products. Some of the wholesalers present their products in the frame of a total concept by showing total bathrooms, kitchens and toilets in their own showrooms.

In the non-residential market (commercial buildings), sanitary ware and tiles are selected by the architect and purchased by the contractor. In this case, the products are supplied by the wholesaler.

Figure 7.1 Trade channels



In general, the European manufacturers have strong brands on their home market, in particular in Italy and Spain. In most cases, these brands are still under development in other countries. As cultural characteristics form a serious barrier to success, most manufacturers do not easily explore other markets on their own initiative. It is more likely for them to enter into contract with local companies on an exclusive basis (exclusivity for a country or region) in exchange for attractive turn-over targets per annum. The contract partners are in most cases import organisations, agents and sometimes also wholesale organisations. These companies will then take care of the local distribution.

In general, importers and other trade partners expect a flexible and service oriented contact with the manufacturer in order to limit their stock and to reduce the delivery time to their customers (also for small projects) simultaneously. Reliability is therefore the most important requirement, in particular in the UK, the Netherlands, Germany and France. This is also why most of the importers strive for a reduction of the number of manufacturers, whereby only an interesting completion of the existing programme or a reduced price might be of interest to them.

The close relationship between manufacturers and national and local distributors makes it difficult for foreign manufacturers to enter the market. The professional building sector tends to make exclusive agreements with suppliers, through discounts and credit arrangements. It is also common for installers (plumbers) to deal principally with a limited number of suppliers with a strong brand. Some of them have a shop on their own and wish to compete on a price basis and are also willing to buy and sell unknown brands. In that case they prefer to purchase at an import organisation. This seems to be the case for most of the European countries, although the phenomenon of small shops in Italy and France is relatively strong.
Besides the wholesale channel, manufacturers are increasingly selling their products on the DIY market. This market has become particular popular in Western Europe and its popularity is growing elsewhere as well. Sales through this channel vary across Europe, with the largest markets in Germany, France and the UK. Less familiar is the fact that

also small contractors, especially in the refurbishing sector, buy their materials at the DIY market. DIY markets are arranged in such a way, that the contractor is able to collect the material he needs for the day, making it easier to work without a tight working schedule. Some of the DIY chains are even introducing discount cards for this type of clients. Together with the so-called black market, this group of semi-professionals represent a substantial part of the total turnover of the DIY market. This phenomenon is stronger in France, Italy and Spain than in the other countries. In Germany, where crafts are still highly respected, the phenomenon is hardly present.

A third distribution channel is through the 'bathroom boutiques', which is particularly popular in the UK. This channel accounts for a maximum of five percent of total sales. Bathroom boutiques sell and install bathroom suites as 'fashion goods', and specialise mostly in up-market brands. Service and after-sales care encompass a very important aspect of the bathroom boutiques. This requires a close relationship between manufacturers and national and local distributors, which makes it more difficult for foreign manufacturers to enter the market.

In all distribution channels the communication with the manufacturer is of great importance. In order to consolidate the relationship of the importer, agent or wholesaler with their main customers, visiting the factory once in a while brings a great advantage. The feedback from the market is also an important issue in order to be able to optimise the delivery programme according to market developments.

The Internet is gaining ground as an instrument for communication, but personal contact will always remain of great importance. Especially in the southern European countries, personal contact is crucial. Nevertheless E-commerce is growing rapidly in Western Europe. The UK and Germany are up front, but also in countries like Italy and Spain e-commerce is growing at a fast pace. A lot of trading companies nowadays demand a certain Internet protocol, for example for ordering, specifications, payment, support, etc.

Another aspect of the distribution system is the influence of certain indirect partners in building. Architects, consultants, local authorities, will never purchase products themselves, but they may have a mayor influence on the material that will be purchased by the general contractor. This influence differs from country to country. In Italy and Spain the influence of the architect is quite strong. The architect is especially interested in colour, structure, form and durability. In Germany, the role of the architect is also strong since he has a responsibility towards the end result. Legal responsibility of the architect causes "no risk" behaviour. The German architect will pay special attention to durability and general quality, rather than form and colour. A wide body of standardisation requirements is further restricting the freedom of choice in Germany.

In the Netherlands, the role of the architect differs from project to project. Some of them are hardly interested in the interior decoration of the building. The influence of the consumer (the future owner of the house) is rather limited, although there is a tendency for consumers to have a say in interior design. In most cases, though, there is still no direct contact between the architect and the buyer of the house.
For the UK, although to a lesser extent, the situation is similar to the situation in the Netherlands.

In France, the influence of the house-owner is dominating, and tiles and sanitary wares are almost regarded as consumer products.

7.2 Distribution channels for developing country exporters

For the manufacturer, there are some very important differences between the various distribution channels.

First, the wholesaler channel involves more levels, each of which increases the cost. Products in the DIY market are generally sold at a lower price, because purchasers are relatively more price conscious.

More importantly, there are fewer obstacles to trade in the DIY market than in the wholesale market, because national quality certificates are not essential. Individual buyers do not necessarily demand quality marks, although these might have a marketing advantage. Wholesalers, however, prefer to buy products with a national quality mark, because professional installers demand them, and they are necessary for many public works projects or are specified by architects. Also, the confidence in strong brands plays a major role. Apart from this, wholesalers tend to do business with a limited number of suppliers in order to control their overheads.

Another possible channel that may be pursued by foreign manufacturers is the one of European producers. The rationale is that European producers are not capable of producing the full product range themselves but do want to have a full product range to offer to their clients.

The trend to create certain atmospheres, which can then be sold as total concepts, provides manufactures with another opportunity to enter the EU market. Trends for these concepts are in most cases spotted by so-called trend watchers, who are consulted by the industry. It is very well possible that manufacturers from developing countries are able to fill in a complete programme for trends often indicated by names like colonial, nature or adventure.

In conclusion, it can be said that the most important distribution channel for exporters from developing countries is the DIY channel. Ways to explore the DIY channel are either through an importer, a manufacturer, or through trade associations. An importer might buy a wider variety of products, whereas a manufacturer often uses cheaper products to complete its assortment. Manufacturers might also be interested in specialities completing their programme.

If a manufacturer from a developing country approaches a European manufacturer, it should be kept in mind that the product needs to fit the exact demands of the manufacturer, and that the product will be used in addition to the manufacturer's product range. In this case, the product will probably be presented under their own, European brand. This will be especially attractive for products in which the European manufacturer is unable to produce at a low price or does not have the particular production facilities.

Both Italy and Spain do have a large production capacity. For that reason both markets seem to be somewhat protective and difficult to enter for producers from developing countries. The same can be said to a certain extent for the UK market. In general, it can be concluded that the other countries are more receptive for new market players. In Italy, Spain and the UK the entrance via local manufacturers is still possible though.

Although trade associations offer a third possibility to approach the DIY market, these often depend on their relationship with importers and manufacturers. It is therefore better to approach the first two initially. It is not expected that exporters from developing countries can compete with the more expensive products sold via the wholesale channel or bathroom boutiques as traders require high quality goods and a high service level from producers.

This also applies for the distribution channel through installers with an own shop and showroom. Since some of them wish to compete on price basis this might provide opportunities. As a supplier, it is however better to do business with import companies, who have their established network of shop owners. Taking into consideration the small scale of most installers and shop owners, a direct approach would be too laborious.

Concerning the newly acceded EU member states of Eastern Europe, there will be an increasing influence from their side on the market by expanding trade, caused by e.g. levelling trade barriers. Traditionally, this trade was directed to the east. Through their accession to the EU, it is expected that export to the west will increase in the future. Now building products must comply with European standards and this will be a big effort for the coming years.

Also, the wages will be lower than in the original member states and therefore products will be interesting for export. It can be expected that they will find their way to DIY shops and wholesale stores. On the other hand, increasing income in these new EU countries will increase the demand for more expensive tiles and sanitary ware, especially luxury brands from mainly Italy and Germany.
In Poland, one of the new member states, Cersanit is a large (market leader) and technically advanced manufacturer of sanitary ware and ceramic tiles. They have for example the integrated quality control system ISO 9001 and 14001.

Poland is interesting as a big market. Ceramic tiles, sanitary ware and bathroom accessories are sold through small speciality shops, mostly located in cities. DIY products are sold primarily through large stores located on the outskirts of cities. These are also sold through factory outlets. They supply distributors, warehouses and individual clients and have competitive prices, usually the lowest on the market. Networks of large stores purchase about 90 percent of their products directly from manufacturers, the rest is bought from warehouses. There are 8 large store networks in Poland that began operations in the mid-nineties and operate through more than 100 storefronts.

8 PRICES

8.1 Price developments

Due to the increasing importance of the DIY market and a modest expected growth in the EU building industry (especially the residential new and residential renovation, repair and maintenance market) the demand for sanitary ware and ceramic tiles from outside the EU is expected to exhibit modest growth. Nonetheless, there are opportunities for these goods, since it is too costly for the EU producers to produce the low cost bulk goods within the EU. However the joining of new EU members cause some effect: in most of the new EU countries the production costs are lower than those in the western European countries and this will be the case for some years, so it can been foreseen – also due to the interest for this part of Europe - that some production will shift to countries as Poland, Czech Republic and Hungary which have tradition in the ceramic industry. These developments will lead to a down-ward pressure on prices.

An indication of the price-level that prevails in the European market for sanitary ware is presented below. The prices are advised retail prices for January 2004 offered by Sphinx Gustavsberg NV, a high-class manufacturer. The selection is made from their standard product line

Product	Price in Euro (incl. 19 % VAT)
Universal bathtub, 175x75 cm, incl. legs (Sphinx 340 series)	480
Universal bathtub, duo-bath 180x80 cm, incl legs (Sphinx 340 series)	591
Universal shower tray 80x80 cm (Sphinx 340 series)	254
Washbasin (Sphinx 340 series)	143
Toilet combination (Sphinx 340 series)	417
Wall toilet (Sphinx 340 series)	222
Bidet (Sphinx 340 series)	204
Urinal (Sphinx 360 series)	243

An indication of the price-level that prevails in the European market for ceramic tiles is presented below. The prices are advised retail prices for January 2004 offered by Koninklijke Mosa B.V., a high-class manufacturer. The selection is made from their standard product line.

Product	Price in € per m2 (incl. 19 % VAT)
Floor tile (Amethyst) 15 x 15 cm	53
Wall tiles (galactica) 15 x 20 cm	21
Floor tiles (unisol) 20 x 20 cm	30
Wall tiles (argentum) 25 x 33 cm	31
Floor tiles (country side) 30 x 45 cm	45
Floor tiles (xtreme) 45 x 45 cm	53

An indication of the price level that prevails in the European market for the DIY market, is given by a price range. Often, DIY shops are characterised by cheaper prices, due to a smaller profit margin. Goods are often bought in bulk, and prices depend strongly upon the type and quality of tiles. The selection below is based on standard tiles.

Product	Price in € per m2 (incl. 19 % VAT)
Floor tiles 10 x 10 cm	50-60
Floor tile 20 x 20 cm	15-30
Wall tiles 15-20 cm	15-40
Floor tiles 30 x 60 cm	45-120
Wall tiles 45 x 45 cm	45-70

8.1 Sources of price information

To get up-to-date price information one has to turn to the actual importers of the different products. Appendix 3 gives relevant sources of price information. The Internet sites given are sites from producers that give their retail advice price. The sites are a good source for recent retail prices for sanitary ware and ceramic tiles. The Internet sites are http://www.mosa.nl/ for ceramic tiles and http://www.sphinx.nl/ for sanitary ware. Both have an English section.

9 REQUIREMENTS FOR ACCESS

9.1 Non-tariff trade barriers

There is a large number of trade policy measures that affects access to the EU market. This section describes the main types of non-tariff trade barriers in the EU affecting trade in sanitary ware and ceramic tiles. Regulations and market forces regarding quality, health, safety and the environment that affect market access to the EU will be discussed in section 9.1.2.

9.1.1 Quality and grading standards

Standards
Originally the standards for ceramic tiles and sanitary ware were prescribed by national building regulations, which referred to national standards. However, nowadays regulations have been (or are in the process of being) harmonised in Europe (directive 89/106/EEC on the approximation of laws, regulations and administrative provisions of the Member States relating to construction products followed by amending directive 93/68/EEC). The European consensus is a system of regulations based on performance requirements, referring to European standards (EN standards).

The harmonised product standards for sanitary ware and ceramic tiles are being prepared by CEN, the European standardisation organisation. The Technical Committee TC163 deals with the sanitary appliances and TC 67 deals with ceramic tiles. However, so far few standards have been finalised. The status of each mandated standardization projects in relation to specific product is presented in table 9.1a and b. Exporters from developing countries intending to deal with the EU should pay particular attention to the forthcoming standard stipulating requirements for ceramic tiles not of first quality, which is currently under development. Updated information from CEN can be found at www.cenorm.be

Table 9.1a CEN Technical Body: Sanitary appliances (CEN/TC 163)

Title of standard	Standard reference	Status
Kitchen sinks – Functional requirements and test methods	EN 13310	Ratified on 1/2/03
Wc pans and wc suites with integral trap	EN 997	Ratified on 7/2/03
Baths for domestic purposes	prEN 14516	Under approval
Bidets - Functional requirements and test methods	prEN 14528	Under approval
Communal washing troughs for domestic purposes	prEN 14296	Under approval
Sanitary appliances - Specification for whirlpool baths	prEN 12764	Under approval
Sanitary appliances - Wash basins - Functional requirements and test methods	prEN 14688	Under approval
Shower enclosures – Functional requirements and test methods	prEN 14428	Under approval
Shower trays for domestic purposes	prEN 14527	Under approval
Wall-hung urinals – Functional requirements and test methods	prEN 13407	Under approval
Wc flushing cisterns	N545	Under development

Source: CEN Management Centre, published at www.newapproach.org

EN 13310:2003 standard replaces EN 13310:1998. This standard concerns kitchen sinks, functional requirements and test methods. This standard is in accordance with ICS code 91.140.70 concerning sanitary installations and specifies the functional requirements and test methods for kitchen sinks for domestic purposes, which ensure that the product, when installed is in accordance with the manufacturers' instructions and gives satisfactory performance.

EN 997:2003 standard replaces EN 997:1993 and EN 997:1997. This standard concerns toilet-pans with integral trap. This standard is in accordance with ICS code 91.140.70 concerning sanitary installations and specifies constructional and performance requirements together with test methods for toilet pans with integral trap used for domestic purposes and made from vitreous china or stainless steel which are flushed by a nominal volume of 6 l, 7 l or 9 l. This standard is not applicable to toilet pans flushed with other volumes, squatting toilet's and toilet pans without integral trap.

Table 9.1b CEN Technical Body: Ceramic tiles (Technical body CEN/TC 67)

Title of standard	Standard reference	Status
Ceramic tiles - Definitions, classification, characteristics and marking (ISO 13006:1998, modified)	EN 14411	Ratified on 4/9/03
Ceramic tiles - Determination of coefficient of friction	prEN 13552	Under approval
Ceramic tiles - Requirements for ceramic tiles not of first quality	CEN/TC 67 N 184	Under development

Source: CEN Management Centre, published at www.newapproach.org

EN 14411:2002 standard replaces EN 87:1992, EN 101:1992, EN 121:1992, EN 159:1992, EN 176:1992, EN 177:1992, EN 178:1992, EN 186-1:1992, EN 186-2:1992, EN 187-1:1992, EN 187-2:1992, and EN 188:1992. This standard is in accordance with ICS code(s) 01.040.91 concerning construction and construction materials and 91.100.25 concerning ceramic building materials. This European Standard defines terms and establishes classifications, characteristics and marking requirements for ceramic tiles of the best commercial quality (first quality).

In addition to product level requirements, requirements are also set at building and construction level. For example, building regulations based requirements are defined on the level of hygienic aspects of wall surfaces (tile + joint material + adhesive) and not on the tile alone. This results in a selection based on project related requirements, instead of general regulations by tilers, building commissioners and traders. In large projects, products are generally selected from the well-known brands in the market rather than their technical requirements.

For the professional market the requirements are drawn up in the terms of references for construction projects. These terms refer to standards that will preferably be EN standards, but can also still be national standards. In general, these requirements are related to the function of the building and not to the product itself. Typically strong brands have products for each possible application.

The characteristics of the most important EN standards are briefly described below. It must be noted that it is not compulsory to adhere to these standards when selling in the EU market. The EN standards can be referred by importers or in the Terms of Reference in building projects. The consumer who buys in the DIY shops will not require these special technical properties. Nevertheless the trades insist on controlling the quality in order to avoid serious complaints. This will in general be limited to esthetical properties, durability, dimensions accuracy and mechanical resistance.

European Standards for testing Ceramic tiles
Ceramic tiles are divided into groups according to their method of manufacture and their water absorption. The groups do not presuppose the usage of the products. The method of manufacturing is described as:

- Shaping A (extruded tiles). These are tiles whose body is shaped in the plastic state in an extruder. The column obtained is cut into tiles of predetermined lengths.
- Shaping B (dust pressed tiles). These tiles are formed from a body reduced to powder or small grains and are shaped in moulds at high pressure.
- Shaping C (cast tiles). The body is cast into a mould or onto a porous refractory batt, which absorbs the water. An overview of the classification and the European standards is presented in table 9.2.

The European Standards specify the sizes, dimensional tolerances, mechanical, physical and chemical requirements, surface quality requirements and marking of ceramic tiles. These standards are not yet developed for cast tiles.

European production standards were developed at an early stage, and are now progressively being turned into worldwide ISO standards. The most important European standards for testing ceramic tiles are presented in table 9.2.

Table 9.2 Classification of ceramic tiles according to their groups and their specific product standards.

	Group I **E* < 3%**	**Group IIa** **3% < E< 5%**	**Group IIb** **6% < E< 10%**	**Group III** **E > 10%**
Shaping A	Group A1 EN 121	Group A1IIa EN 186	Group A1IIb EN 187	Group A1II EN 188
Shaping B	Group BI EN 176	Group BIIa EN 177	Group BIIb EN 178	Group BIII EN 159
Shaping C	Group C1 ...	Group C1Ia ...	Group C1Ib ...	Group C1II ...

Note*: Water absorption (E) measured as % by mass is an indication for porosity.

European Standards for testing Sanitary Ware
The most important European standards for testing sanitary ware are presented in table 9.3. The connecting dimensions for sanitary ware are valid for sanitary ware regardless of the material used. The tests for physical properties differ for different materials.

Table 9.3 European Standards for ceramic tiles

	Floor tiles	**Wall tiles**	**Test methods**
Sampling			
Batching, sampling, inspection and acceptance / rejection	x	x	EN-ISO 10545-1
Physical properties			
Scratch hardness of the surface	x	x	EN 101
Modulus of rupture and breaking strength	x	x	EN ISO 10545-4
Impact resistance	x	x	EN ISO 10545-5

Table 9.4 European Standards for Sanitary Ware

Connecting Dimensions		**Test method**
Wall-hung hand rinse basins	All materials	EN 111
Baths	All materials	EN 232
Shower trays	All materials	EN 251
Wash basins excl. Appliances of width <530 mm or >750 mm	All materials	EN 32
Of pedestral W.C. pans with close-coupled flushing cistern having an exposed outlet on the horizontal or vertical axis or a concealed outlet.	All materials	EN 33
Wall hung toilet pans with close coupled cistern whatever the materials used in their manufacture (excl. siphonic action toilet pans).	All materials	EN 34
Over-rim supply pedestal bidets	All materials	EN 35
Over-rim supply wall-hung bidets	All materials	EN 36
Pedestal W.C. pans with independent water supply having an exposed outlet on the horizontal or vertical axis or concealed outlet (excl. Siphonic action toilet pans).	All materials	EN 37
Wall hung W.C. pans with independent water supply (excl. Siphonic action toilet pans).	All materials	EN 38
Domestic kitchen sinks (excl. industrial kitchen sinks and kitchen sinks with two-hole taps)	All materials	EN 695
Wall hung urinals without built-in trap	All materials	EN 80
Wall-hung urinals of the socket inlet and spigot outlet types	All materials	EN 80
Physical properties		
The intention of this test is to simulate the impact of a falling item (cooking pot or perfume bottle) on sanitary articles (kitchen sinks, wash basins, bathtubs, shower trays...) made from synthetic materials. The resistance of sanitary articles against such impact load is considered as a key requirement.	Synthetic	EN 1220
This standard describes the method used to observe the action of a cigarette placed on the surface of a sanitary appliance made of synthetic material.	Synthetic	EN 1221
This standard describes a method for determining the resistance to scratching of sanitary appliances made of synthetic materials.	Synthetic	EN 1222
Specifies requirements, including methods of test for baths supplied equipped with a whirlpool device that is designed to be drained down after every use (installed and usedin accordance with the manufacturers instructions).	All materials	EN 12764
This norm deals with performance criteria and requirements for sanitary appliances of sewage systems on private ground. Specifies the functional requirements and test methods for domestic kitchen sinks,	All materials	EN 128
Used in residential (domestic houses, guest houses and similar) premises. (excl. industrial kitchen	All materials	EN 13310

sinks).		
Specifies principles of construction, functional requirements on hygiene and fitness for purpose and test methods of wall-hung urinals made of ceramics or stainless steel.	Ceramics and stainless steel	EN 13407

9.1.2 Trade-related environmental, social and health and safety issues

Legislation
For plastic and plastic products, there are several laws to comply with. Legislation regarding plastics mostly concerns additives that are used. In the EU member states the process of national legislation, concerning substances like additives, is strongly influenced by EU legislation.

Directive 76/769/EEC and amendment 91/338/EEC state that cadmium may not be used as a pigment in concentrations exceeding 0.01 percent weight in a wide range of materials. Ceramic products have been excluded from the legislation so far.

The directive on the prevention and reduction of environmental pollution by asbestos (Ordinance 91/659/EEC, also directive 76/769/479 and amendments 87/217, 89/678 and 91/339) lays down stringent measures and provisions for the working of products containing asbestos, the demolition of buildings as well as the transport and disposal of waste containing asbestos fibres.

Regulation (EC) 2037/2000 on substances that deplete the ozone layer states that the placing on the market and the use of chlorofluorcarbons (CFCs) and halons are prohibited. CFCs and Halons can be used as foaming agents in foams like polyurethane. Further information on legislation can be found in CBI's AccessGuide.

Environmental issues
Over the past years, the principle of 'sustainable development' has led to an increasing environmental awareness all over the world. Consumers and industrial buyers have become more interested in environmentally friendly products and services. Consequently, non-environmentally friendly products have fewer chances in the market.

EU eco labels
In 1992 the voluntary EU eco-label 'flower' was established. This certification scheme aims at helping European consumers to distinguish greener and more environmentally friendly products and services (excluding food and medicine). The purpose is to promote products with a reduced environmental impact and to provide consumers with accurate information on the environmental impact of products. For more information visit the EU Eco-label website http://www.eco-label.com.

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So far, there are no eco-labels in the trade that apply to sanitary ware. However, for ceramic tiles the 2002/272/EC Commission Decision established the ecological criteria for the award of the Community eco-label to hard floor-coverings. In order to be awarded the Community eco-label, ceramic flags and paving must comply with the ecological criteria set out in the above-mentioned Decision. As a rule, eco labels are required in the professional market where sustainable building is an issue. It is estimated that these labels are required for around 20 percent of the projects in the professional market. Criteria for award of eco label to floor ceramic tiles cover the entire production process, ranging from raw material extraction to waste management and consumer information. Full text of the decision can be found at http://europa.eu.int/eur-lex/.

Dubo

In the Netherlands, as well as in Germany and Austria, 'sustainable building' is an important element of environmental policy. Attention is increasingly paid to the environmental impact of urban development, the individual building and the use of building materials. For the Dutch market MRPI (Environment Related Product Information) labels have recently been introduced as part of 'Dubo-pakket'. The MRPI labels provide information about the sustainability of the product.

Though sustainable building is a serious issue, it has no legislative status. For consumers, project developers, architects etc. it does not play a decisive role in their choice of building materials. Nonetheless, for exporters from developing countries able to supply 'green' (i.e. produced with little environmental impact) building materials, the Dubo-policy may provide extra marketing advantage.

More information about the Dutch Dubo-pakket and MRPI labels can be obtained from the Nationaal Dubo Centrum. (see Appendix 2 for relevant addresses).

Occupational health and safety
More information on environmental, social and health issues can be found in CBI's database on European non-tariff trade barriers "AccessGuide " at www.cbi.nl/accessguide. For Sanitary ware and ceramic tiles, there are no specific regulations towards the health and safety consumer products. These issues are covered under other regulations.

9.1.3 Packaging, marking and labelling

Packaging
There are many ways of packaging sanitary ware and ceramic tiles, depending on the product, the buyer and the legislation. The exporter should reach an agreement with the importer as to which package to use. Intermediate traders sometimes repackage products.

As there are no standards for packaging sanitary ware and ceramic tiles a few general remarks concerning packing the products for shipment are provided. In general the products are stacked on pallets. Each pallet should not weigh more than 1,500 kilograms since forklift truck are often capable to lift pallets exceeding this amount. The so-called Euro-pallet (120 cm x 80 cm) is commonly used for relatively small products. Products exceeding this size (e.g. bathtubs) require larger pallets. Examples of packaging ceramic tiles and sanitary ware are provided in the product profiles in chapter 10 of this Market Survey.

Points to consider when packaging:

- Do not fill up the cardboard boxes just with the products, but pack a number of similar items in a smaller box, or use some cardboard layers as protection;
- Clearly indicate which products and in which quantity is packed in each box, so that this won't be a mystery to the importer;
- Before packaging, products should be protected by plastic bags in order to avoid damage from rain or moisture;
- Each box should have a packaging list, which gives a specification of all products in terms of quantity, types, colours etc..

The overall trend in Europe is towards facilitating re-use and recycling of packaging through incentives. In order to harmonise the different forms of legislation, the EU has issued a directive for packaging and packaging materials (Directive 94/62/EC) in which minimum standards are regulated. With effect from 30 June 2002, maximum concentrations of lead, cadmium, mercury and hexavalent chromium allowed in packaging are 100 ppm.

Most of the time, packaging policy does not affect ‘foreign’ manufacturers because importers will be held responsible for the packaging. However, sensible marketing requires taking the obligations for the importer into consideration. This means that packaging materials should be limited and re-useable or recyclable. Otherwise the importer will be confronted with additional costs, thus reducing the competitiveness of the exporter.

It is worth noting that German regulations stipulate products must be packed for transport in reusable Euro pallets. The Euro pallet is a standard size such that two Euro pallets can be put inside a truck sideways and three in longitudinal direction. In this way the number of pallets transported by a truck can be optimised. European manufacturers believe that the product cost for water closets is increased by up to 5 percent due to increases in transportation cost arising from the compulsory use of Euro pallets for exports to Germany. This estimate depends on the type of product, and assumes pallets cannot be stacked one on top of another. Further, the need for packaging that uses recyclable material can be a source of additional transport costs to Germany. Austria has come the closest to copying Germany in its “manufacturers responsibility” system for packaging. Industry is solely responsible for ensuring collection of used packaging.

Marking and labelling

CE mark

Importers to the EU should pay special attention to the CE marking, which indicates that the product complies with the harmonized standards (see section 9.1.1) and that all obligations arising from EC law (directives etc) have been respected.

CE-marking system with regard to construction products (incl. sanitary ware and ceramic tiles) is being regulated by directives 89/106/EEC and 93/68/EC and by decision 93/465/EC concerning the modules for the various phases of the conformity assessment procedures and the rules for the affixing and use of the CE conformity marking.

The CE marking is neither a mark of origin, nor a quality mark, and producers from third countries are enabled to label their products with CE mark. In case of sanitary ware and ceramic tiles, the CE marking must be affixed on the product itself, on a label attached to it, on its packaging, or on the accompanying commercial documents).

The CE conformity marking consists exclusively of the letters "CE" in the specified form, followed by:

- the name or identifying mark of the producer,
- the last two digits of the year in which the marking was affixed, and
- where appropriate, the number of the EC certificate of conformity, and,
- where appropriate, indications to identify the characteristics of the product on the basis of the technical specifications.

The CE-marked product may also bear different marks arising from other systems, such as a voluntary quality mark or a voluntary standardization mark concerning non-harmonized aspects. Consult CBI’s AccessGuide for further information.

Green Dot

Top

Bottom

THE GREEN DOT

The Green Dot label is increasingly essential for marketing products in the EU countries due to growth of waste and disposal problem concerns. The license fees to use the symbol finance the separate collection, sorting and – in the case of plastics – recycling of sales packaging. Duales System Deutschland is administration body for the use of the Green Dot symbol, which is found on virtually all packaging material in Germany.

Germany having been the initiator, to date, 19 countries are already using the Green Dot as financing mark for the collection, sorting and recycling of sales packaging. The ten EU member states Austria, Belgium, France, Germany, Greece, Ireland, Luxembourg, Portugal, Spain and Sweden have set up private systems for this purpose, but also the new EU countries Czech Republic, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia have followed suit.

According to Green Dot classification, sanitary appliances and ceramic tiles fall under "Do-it-yourself articles, paints, tools, etc" product group. Exporters from third countries cannot apply for a license by Dual System and they should have recourse to the importer from the European economic area, the latter being enabled to apply (please, refer to Annex 3 for relevant address).

More information on Green Dot can be found at: http://www.greendot.ie/specs.html as well as CBI's AccessGuide.

Firms entering the EU market are strongly advised to examine EU as well as national law. Each European country is integrating the rulings of the EU into its national legislation. For example, in most of the EU countries labels must be written in the national language. As much as the legislation regarding labelling is still in the development stage, EU labelling regulations and standards need to be carefully monitored.

More information on non-tariff barriers while importing to the specific EU country can be found at http://www.exporthotline.com/. For more information on packaging, please refer to CBI's database on European non-tariff trade barriers "AccessGuide " at www.cbi.nl/accessguide.

9.2 Tariffs and quota

In general, all goods, including sanitary ware and ceramic tiles, entering the EU are subject to import duties. The general rates of duty applicable to sanitary ware and ceramic tiles range from 0 to 7 percent.

Due to the Renewed Generalised System of Preferences (RGSP), which supports the export from developing countries, most products have an import duty of 0 percent. Under this system, either no import tariffs or reduced tariffs apply to goods from most developing countries. The integrated tariff of the community TARIC with all third country and preferential duty rates actually applicable is to be found at http://europa.eu.int/comm/taxation_customs/databases/taric_en.htm. Table 9.5 provides an overview of the tariffs and VAT rates for sanitary ware and ceramic tiles.

Table 9.5 Tariffs for sanitary ware and ceramic tiles applied in the European Union*

HS	Code Product description	General tariff	RGSP tariff	VAT
3922	Sanitary ware made of plastics	6.5	0	Standard rate
6907	Unglazed ceramic floor/wall tiles	5	0	Standard rate
7324	Sanitary made of iron/steel	0	0	Standard rate
6908	Glazed ceramic floor/wall tiles	0	0	Standard rate
6910	Ceramic sanitary	7	0	Standard rate

* June 2003
Source: European Commission

If there is no special trade agreement in force between countries, the general import tariff applies. To benefit from RSGP treatment, exporters have to provide a 'Form A' certificate, which is issued by the appropriate authorities in the respective country. Detailed information on these tariffs can be obtained at the Central Customs Administration in Rotterdam, the Netherlands (or any other EU member state) or the Internet site http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm.

The Value Added Tax (VAT) rates in the EU are not yet harmonised. Basically there are four VAT rates: the parking rate, the standard rate, the reduced rate and the super reduced rate. In the future, the rates and the product groups they apply to will be harmonized throughout the EU. An overview of the rates prevailing in the EU Member States can be obtained from
http://europa.eu.int/comm/taxation_customs/publications/info_doc/info_doc.htm

It is important to note that the overseas exporter is not involved in paying VAT. The EU importer is responsible for the declaration to the local authorities that he has purchased goods from overseas at a zero VAT rate. As soon as he sells the goods locally, he must charge his customer the appropriate VAT on his invoice and declare this to the local authorities and make the appropriate payment to them.

An overview of the VAT rates applied in the Member States of the enlarged European Union is provided in table 9.6 below.

Table 9.6 VAT rates applied in the Member States* of the European Union

	Super Reduced Rate	Reduced Rate	Standard Rate	Parking Rate
Belgium	-	6	21	12
Czech Republic	-	5	22	-
Denmark	-	-	25	-
Germany	-	7	16	-
Estonia	-	5	18	-
Greece	4	8	18	-
Spain	4	7	16	-
France	2.1	5.5	19.6	-
Ireland	4.3	13.5	21	13.5
Italy	4	10	20	-
Cyprus	-	5	15	-
Latvia	-	9	18	-

	Super Reduced Rate	Reduced Rate	Standard Rate	Parking Rate
Lithuania	-	5/9	18	-
Luxembourg	3	6	15	12
Hungary	-	12	25	-
Netherlands	-	6	19	-
Austria	-	10	20	12
Poland	-	7	22	-
Portugal	-	5/12	19	-
Slovenia	-	8.5	20	-
Slovakia	-	-	19	-
Finland	-	8/17	22	-
Sweden	-	6/12	25	-
United-Kingdom	-	5	17.5	-

* October 2003
Source: European Commission

The EU Council of Ministers approved the "Everything But Arms (EBA)" initiative, which eliminates duties and quotas on all products except arms from the 48 least developed countries. This duty- and quota-free access started on March 5th, 2002.

In addition to RSGP, the EU has established several trade agreements for different groups of partners, which result in deviation from the above-mentioned general rates of duty. The most significant group of countries with which the EU has a special trade agreement is the group of African, Caribbean and Pacific countries. From 1975 to 2000, this relationship was governed by the Lomé Convention, which was updated regularly. In 2000, a new agreement between the EU and the ACP countries was concluded: the ACP-EU Partnership Agreement, also referred to as the Cotonou Agreement. Over the years more countries of the Asian, Pacific and African region have joined the ACP Group. As of June 2003, the Group consisted of 79 countries. For an overview of the members of the ACP Group please refer to http://www.acpsec.org/.

According to this agreement, goods originating in the ACP countries are subject to lower import tariffs. To obtain this lower tariff, an 'EUR 1' form is needed, which is issued by the Customs of the exporting country.

The EU market for sanitary ware and ceramic tiles is not protected by quantitative restrictions for imports. Please, refer for more extensive information with respect to trade policy and agreements within the European Union to the CBI publication "Export Planner" (2000).

The market access requirements briefly presented in this chapter are to be used by future exporters as input for external analysis described in Part B (Chapter 10), which will result in decision-making process (Chapter 12).

PART B

EXPORT MARKETING GUIDELINES: ANALYSIS AND STRATEGY

This Part aims to facilitate exporters engaged, or wishing to engage, in exporting sanitary ware and ceramic tiles to the European Union in formulating their own markets and product strategies through the provision of practical information.

How do you get involved in the international marketplace? How much time and money will it take? Should you make exporting part of your business plan? These are common concerns of producers who are aware of the importance of international trade, but are not sure if exporting is for them. This chapter therefore provides practical information about export planning. It provides help in evaluating your possibilities of exporting to the European markets.

The basic questions a future exporter must ask him/ herself are:

- What to export?
- To which markets?
- Through which channels?
- At what prices?

In order to enable the exporter to find answers to these questions, this section has been structured into the four following parts:
1. **External analysis** (market audit, chapter 10), to identify suitable markets and other relevant external factors for selling sanitary ware or ceramic tiles in the EU.
2. **Internal analysis** (company audit, chapter 11), to assess your company's performance in respect to product standards, logistics, marketing, financing and capabilities to internationalise.
3. **Decision making** (chapter 12), to formulate your business/export objectives on the basis of the previous SWOT-analysis (your company's strengths and weaknesses versus market's opportunities and threats).
4. **Marketing tools** (chapter 13), to develop your export marketing strategy.

Basic statistical market information on consumption, production and trade, information on trade structure, standards, tariffs and other EU market access requirements can be found in Parts A of this Survey.

The opportunities in the market (chapter 10: external analysis) have to be evaluated against the capabilities of the company (chapter 11: internal analysis), which should then enable a company to identify its strengths, weaknesses, opportunities, and threats (chapter 12: SWOT).

Subsequently, Chapter 13 provides sector specific knowledge and sources to enable the exporter to further investigate what to export, to which markets, through which channels, and at what prices. In other words, which marketing tools can be used to build a successful business relationship?

For general information on export marketing and how to conduct market research, please refer to CBI's '*Export Planner*' and the interactive tool on the CBI website 'Export marketing plan'. For general information on conducting market research, see CBI's 'Your guide to market research'.

10 EXTERNAL ANALYSIS

The external analysis answers the questions 'Is there a market for my ceramic tiles or sanitary ware products?' and 'if yes, how large is it, which country is best for me to enter, and what are the possible chances of success'. This analysis will assist you to identify suitable market segments, sales channels and other relevant external factors. Moreover, this analysis will provide an input for the Opportunities and Threats section of the SWOT (see Chapter 12).

10.1 Market developments and opportunities

As a first step towards the identification of the most suitable export markets, the exporter needs to research the importance of potential markets and understand the ongoing developments that shape the European market for ceramic tiles and sanitary ware. This should be done by means of a systematic market research, involving a preliminary screening of potential markets followed by a more detailed assessment of the targeted markets.

Markets should be researched using primary as well as secondary data sources. Primary market research consists of a company collecting data directly from the foreign marketplace through interviews, surveys, and other direct contact with market participants.

For a global scan of the market, initially most companies make use of secondary data sources such as trade statistics, to concentrate their marketing efforts. This type of research is a valuable and relatively easy first step for a company to take. Specific market developments as described in Chapters 3, 4, 5, 8 and 9 of this market survey for instance should be used as a starting point for your export market research. The information presented in those chapters is taken from Eurostat, the European Statistical Office. Other possible sources of information are listed in Appendix 3.

For example, chapter 3 identified Italy and Spain as the largest consumer markets for ceramic tiles, while Germany and the UK were identified as the largest markets for sanitary ware. Chapter 5 furthermore indicates that these four countries also display a fairly high import penetration by developing countries. In contrast, while France appears only the fifth largest overall market only slightly more than half the size of Italy, its developing country import penetration is still relatively low. However, French imports from developing countries have grown strongly in the recent past. A similar story applies to Belgium. Since one may expect import penetration for these last two countries to steadily increase in the near future to levels observed in other countries, these markets may be easier to enter or expand exports to for a developing country manufacturer.

Another important development described in chapter 3 has been the growing importance of DIY shops. DIY shops largely cater to the private market, where individuals seldom demand compliance with all voluntary national or international quality standards. Exporters from developing countries opting to not fully comply with voluntary international quality standards may therefore find more opportunities in the private market segment of those countries with a large fraction of sales through DIY shops. However, a number of other access requirements still apply, as described in chapter 9. More specific opportunities were discussed in chapter 8.

The market for sanitary ware and ceramic tiles is a relatively stable market, characterized by consumer durables. Investments by individual consumers will not be done on a yearly basis, nor will it be characterized by largely fluctuating consumer preferences. However, overall macroeconomic conditions will have an impact on the number of new houses that are being built, as well as the amount of money that can be spent per item. Currently, most European countries are experiencing a period of low growth, with the public sector reducing expenditures and private companies downsizing their operations. This has a negative impact on overall demand and shifts existing demand towards somewhat cheaper products.

More generally, by collecting information analogue to that presented in Part A, you should be able to get an overview on the following questions, tailored to your specific product that you intend to export:

- What is the estimated market size for sanitary ware and / or ceramic tiles?
- How has the market volume developed during the last few years? What is the outlook for the future?
- How have imports of sanitary ware and / or ceramic tiles developed during the last few years?
- Which colours (and/or other physical characteristics) are in fashion?
- Are there import restrictions that limit sales opportunities?
- What are the relevant market access requirements?

Another possible way to discover your market opportunities is through an independent market expert in the field you prefer to focus on. The best guarantee for a proper consultant is to check possible names with other market contacts.

10.2 Competitive analysis

This is one of the most important pieces of analysis to be done and will require a thorough field research. The analysis of your main competitors takes place on two levels, the macro level and the micro level.

At the macro level, the general overall structure of the sanitary ware and ceramic tiles industry in the targeted EU country should be analysed. Aspects to focus on are the composition of imports in terms of origin to determine the location of your main competitors, but also in terms of destination to identify the location of the key buyers. The information in chapters 5 and 6 provides a useful starting point for this information. For example, in chapter 5 Turkey was identified as the main developing country exporter to the EU, particularly for ceramic tiles. Chapter 6, on the other hand, indicates that the main European competitors are located in Italy and Spain.

At the micro level it is necessary to identify *your* major competitors as a selection from the market competitors and analyse them in detail - their size, market share, product, prices, channels, promotion and determine their strengths and weaknesses relative to your company.

One of the tools that can be used for the micro level analysis is known as Competitive Benchmarking. In competitive benchmarking you compare your performance with those of your competitors on a range of factors that are important for your customer. The factors to consider include:

- Use of new technology
- Technical quality and competence
- Responsiveness to customers' demands and requirements
- Available for enquiries, designated and known contact person
- Low price
- Reliability in delivery
- Flexible and quick
- Provision of customer training
- Generally courteous and helpful
- Gives guarantees
- ISO 9000 certified
- Can give references
- Conscious of environment

10.3 Sales channel assessment

Chapter 7 described the most important distribution channels for developing countries. Each of these channels has it's own requirements/characteristics. Some of these characteristics are:

Wholesalers of sanitary ware and tiles	▪ More players involved in the sales channel ▪ Higher costs ▪ Require (national) quality standards ▪ Require strong brands ▪ Tend to limit suppliers
Do-It-Yourself markets	▪ Less emphasis on (national) quality standards ▪ Generally lower prices to consumers ▪ Increasing importance in several EU markets ▪ Can be targeted through importers, manufacturers or trade associations
European Producers of sanitary ware and tiles	▪ Buys smaller product range to complement its own delivery program, products need to fit this program. ▪ May buy specialty items to offer under own brand ▪ Can promote items under own brand name. ▪ May open "protective" markets
Importers	▪ Able to "reach" the larger number of installers with showroom/shop ▪ Will give feed back on price level needed to enter this segment. ▪ Will lessen the perceived risk from the point of view of the buyer.
E-commerce	▪ Rapidly increasing interest of buyers to streamline communication. Also used to check on abilities/background of suppliers. ▪ Even direct selling via B2B portals is possible. See also chapter 13 sales promotion

The main purpose of this assessment is to list the requirements of the chosen channel that may be important to you. Good research of the typical behaviour of the sales channel will pay off in an eventual smooth cooperation. Furthermore, chapter 11, the internal analysis, will help you make the assessment of your company's abilities, so that the perfect match can be made. Comparison of the requirements of the sales channels with your company's strengths and weaknesses will enable you to identify the most suitable sales channel(s) (see also chapter 12). The most important aspects of this channel check are:

Product standards:
- What is the quality required? (finish, material, durability)
- What are the necessary (national) quality certificates?

Logistics:
- What are the required quantities within the delivery times that are needed?
- Can special requests occur to deliver more products because of suddenly increased sales volumes?
- What are the required packaging standards?
- What are the established customary shipping methods used in the particular channel?

Marketing
- What support is required in the channel regarding sales literature, product samples?
- Are (very) regular visits required to the target countries in this channel?
- What are the requirements of the channel with respect to the development of e-business / advanced web-presence for my company?

Small, inexperienced exporters, who merely manufacture as their core business may prefer to deal with a domestic partner for their exporting or to join other exporters. In any case, advantages (e.g. lower risks, export experience) and disadvantages (e.g. dependency, lower profits) have to be weighed carefully. Importers and distributors constitute a potential source to obtain further information.

10.4 Logistics

The logistic concepts aim at having the right goods at the right time, in the right volumes at the right place and all that with a minimum of costs. From the customer's point of view, it is important that the product is delivered in time. The date of production is only part of the delivery procedure. Transport of the raw materials to the factory, and subsequently transport of the product from the factory to the harbour, transport by ship or plane and again transport to the hospital or a logistics centre has to be planned carefully within the time of delivery. Therefore it is of great importance to make firm agreements with all the players in the logistic chain. It also might be useful to exploit alternative routes or emergency routes. If a carrier is not able to fulfil his obligations in time, for example due to a strike, the total transport chain will be disturbed. In these circumstances it is useful to have alternative procedures at ones disposal.

Volume consuming goods like baths are bound to increase the cost of transportation. One option to reduce costs is to cooperate with a company that can act as an assembling unit and at the same time act as your distributor or sales representative. Reduction of unnecessary packaging material and unused space can significantly lower the cost of transportation. In case of high volume products like sanitary ware, one could consider dealing with a European distributor (forwarder) located in a main European harbour, who will take care of distribution within Europe.

When considering about logistic requirements, it is important to have a full understanding of the terms of delivery agreed upon with the customer. Most common delivery terms are the following:
- FOB (Free On Board): The buyer arranges for transportation and insurance. FOB must specify the port of departure.
- CFR (Cost and Freight): The exporter pays the freight, the buyer arranges for the insurance.
- CIF (Cost, Insurance and Freight): The exporter pays the freight and the insurance.

It is recommended that quotations to European customers should be made on a CIF basis. However, supplier and importer are free to negotiate and agree whether quotations and subsequent trade are based on CIF or FOB prices. For definitions of payment methods and delivery terms, please refer to CBI's Export Planner.

The determination of payment conditions for a regular export transaction is part of the package of negotiations between seller and buyer, who actually have more or less opposing interests. The seller wants to have the largest possible guarantee of financial coverage for the goods he has to supply according to his sales contracts. The buyer wants to be sure about availability, quantity and quality of the goods he buys, before he pays the agreed price.

Listed in order from most secure for the exporter to the least secure, the basic methods of payment are:

1. Cash in advance;
2. Documentary letter of credit;
3. CAD (Cash against Documents) or draft;
4. Open account or clean payment
5. Other payment mechanisms, such as consignment sales

The most common form of payments in the sanitary ware and ceramic tiles business is open account or clean payment. With an open account, the exporter simply bills the customer, who is expected to pay under agreed terms at a future date. Some of the largest firms abroad make purchases only on open account. Payments are generally made quite late, i.e. the exporter is in fact expected to provide some sort of trade credit, receiving funds when the customer has sold the merchandise. For more detailed information on payment methods please check CBI's manual Export Planner.

10.5 Price structure

Different trade channels mean different export prices and margins for your ceramic tiles and sanitary ware products. Chapter 7 listed the most important channels in the European countries. This section deals with the different prices and margins that apply in these channels, which are of influence on your export price. Furthermore, common methods and terms of payment will be set out.

The market prices for sanitary ware and ceramic tiles are not set by any (inter)national organisation or institution. This means prices are free and competitive. The price the end-user or the consumer pays generally consists of the following components:

Factory cost price, including transport to port (i.e. FOB)
\+ Transportation and insurance costs (i.e. CIF)
\+ Other costs (storage, banking, etc)
\+ Import duties

Landed-cost price

\+ Margin Importer, Wholesaler, Buying Organisation, Retailer
\+ Value Added Tax (VAT)

Consumer price

Margins
The margins for the different intermediaries in the trade structure (importers, wholesalers, retail) are difficult to determine, because they are influenced by many factors, such as:

- Size of the order;
- Length of the trade channel;
- Quality of the product;
- Availability of the product;
- Added value

The value that is added within the trade channels arises from the logistics and services provided in the channel. These functions range from distribution and repackaging to the preparation of a total sales formulae and extensive after sales services.

The box below gives an assessment of the ranges of mark-ups per intermediary.

Intermediary	Low	High
Wholesaler	10 %	40 %
Buying co-operative	10 %	20 %
Bathroom boutiques	30 %	50 %
DIY	30 %	50 %

10.6 Product Profiles

On the basis of the previously collected secondary and primary information in relation to the potential export markets (see Part A) you should compile “Product profiles” for each of your prospective export products. In this section two examples are shown:

a. Glazed ceramic wall tiles and
b. Plastic baths.

The profiles help you organize the essential information of your product in combination with their markets.

A. Glazed ceramic wall tiles

PRODUCT PROFILE GLAZED CERAMIC WALL TILES		
1. Product name: Glazed ceramic wall tiles		
2. Market requirements: Quality standards: Main quality standards are on abrasive resistance, water absorption, and dimensional accuracy. Standards are mostly set by import organisations for the DIY market, which is rather extensive) or by terms of reference in projects. Official standards are mainly focussing on floor tiles. Standard EN-14411:2003 gives definitions, classification, characteristics and marking criteria of (first quality defined) ceramic tiles. Requirements for testing and properties of ceramic floor tiles can be found in the standard EN ISO 10545. Minimum labelling: • product name; • name and address of the producer/exporter; • of which material it is. Packaging: Ceramic tiles are usually packed in cardboard boxes. Per cardboard box 1 or 1.5 squared metre of tiles is packed. Ideally these boxes should not weigh more than 25 kilograms. The number of tiles per box depends on the size of the ceramic tile. In case 1 m2 of tiles are packed per box, the following number of tiles fit into one cardboard box Size of tiles: 150 mm x 150 mm : 44 tiles per box Size of tiles: 150 mm x 200 mm : 33 tiles per box Size of tiles: 200 mm x 250 mm : 20 tiles per box The pallets used for sea transport can be either disposable or re-usable pallets. Some importers prefer the standardized Euro-pallets (80 cm x 120 cm). Each pallet should not weigh more than 1,500 kilogram. Shrink foil or sealed bags are used to protect the stacked pallets.	**3. Market structure:** Export price: ca. € 10 - 20,- per m2. Standard glazed tiles (e.g. 150 x 150 mm) are priced in the lower end of the price range. The larger sizes (200 x 200 mm or larger) are usually more expensive. More expensive tiles may have a special surface structure such as faced edges and may include strips for decorative purposes. Main markets The main European importers are France and Germany, followed by the UK. In all countries the DIY market is increasing. And like the wholesalers they are organized in a chain with a central purchase supported by professional trend watchers and concept designers (show room management) Market trends In the EU market there is an increasing demand for special shapes (faced edges, special patterns, large tiles). Another development is that people buy total concepts (for their kitchen or bathroom) of which the ceramic tile is only a component. This trend is noticeable both in bathroom boutiques and DIY shops. Also wholesalers are taking over this formula in order	**4. Main suppliers:** The leading supplying countries of ceramic tiles are Italy, Spain, Germany, Turkey, Portugal, France, and Czech Republic.

<table>
<tr>
<td>Cardboard strips can protect corners of the pallets.

<u>Import regulation:</u>
- Relevant import documents:
- EUR 1 form for ACP countries
- FORM A for other developing countries</td>
<td>to give their contractor-customers the opportunity to send their clients to the showroom.</td>
<td></td>
</tr>
<tr>
<td colspan="3">5. How to improve the quality:

There is a strong demand for visual perfection in the EU market. For example the customer will not accept discontinuities in the surface. Structural failures will lead to dissatisfaction about the product, therefore it is strongly recommended to carry out a thorough quality check (visual inspection) before shipment.
Other aspects are the dimensional tolerances, reproducible colour control, porosity in relation to vulnerability and water suction. All should be according to the relevant standards.
Innovation subjects might aim at the production efficiency in order to be able to compete on price and to improve the quality according to the mentioned aspects. Another possible innovation objective might be to increase the added value.

This might be possible by offering total concepts (together with complementary suppliers) or by exclusive product development in co operation with the whole saler or the DiY chain. To develop concepts it might be wise to find cooperation with local industrial designers or consultants for product development, In consultation with the EU importer a preferred system of labelling can be agreed upon. EU importers prefer to include barcodes on the labels of the pallets indicating the article number and the number of articles on the pallet. Furthermore EU importers prefer to have the production date (because of the colour nuance) and an indication of the quality (first, second or third choice) printed on the label.</td>
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</table>

B. Plastic baths

<table>
<tr><td colspan="3">PRODUCT PROFILE PLASTIC BATHS</td></tr>
<tr><td colspan="3"></td></tr>
<tr><td colspan="3">1. Product name: Plastic baths</td></tr>
<tr><td colspan="3"></td></tr>
<tr>
<td>2. Market requirements:

<u>Quality standards:</u>
Main quality standards are on scratch resistance, fire resistance, impact strength, colour ageing durability, ease of cleaning and connection dimensions. Standards are mostly set by import organizations (for the DIY market) or by terms of reference in projects. No European standards have yet been set. Most standards are still preliminary and under approval. Important standards are EN 13559-2003 (Specifications for impact modified co extruded ABS/Acrylic sheets for baths and shower). Other standards that have been issued are prEN 263 (resistance properties), prEN 232 (connection dimensions), prEN 298 (specification of acryl bath tubs for domestic use). For whirlpool bath specs: prEN 12764.

<u>Minimum labelling:</u>
• Product name;
• name and address of the producer/exporter;
• of which material it is.

<u>Packaging</u>:
Baths are usually stacked on disposable pallets. Shrink foil or sealed plastic bags can protect the stacked baths. Carton strips can protect the corners of the pallet. The stacked pallets should not weigh more than 1,500 kilograms. The dimensions of the pallet should be slightly larger than the size of the transported baths. The dimensions of the stacked pallets vary between:
L: 130 cm –240cm
W: 75 cm – 95cm
H: 100 cm –200cm

<u>Import regulation:</u>
Relevant import documents:
- EUR 1 form for ACP countries
- FORM A for other developing countries</td>
<td>3. Market structure:

<u>Export price:</u>
ca. € 50,- - 200,- (prices without accessories). A standard bath will fall in the price range between € 50 and € 75. More exclusive products are more expensive. These products distinguish themselves by special shapes and features and may be suitable to be used by two persons at the same time, water jet nozzles etc.

Main markets:
The main European importers are France and Germany, followed by the UK.
In all countries the DIY market is increasing. And like the wholesalers they are organized in a chain with a central purchase supported by professional trend watchers and concept designers (show room management The DIY markets tend to limit their number of products.
<u>Market trends:</u>
There is an increasing demand for plastic baths, especially the more luxurious baths (special shapes, Jacuzzis, whirlpools etc.). Plastic baths are well suited to satisfy this demand due to their high degree of form freedom.

Another development is that people buy total concepts (for their bathroom) of which baths are only a component. This trend is noticeable both in bathroom boutiques and DIY shops. Also wholesalers are taking over this approach in order to enable their contractor-customers to send</td>
<td>4. Main suppliers:

The leading supplying countries of plastic baths are Italy, Germany, France and Eastern European countries</td>
</tr>
</table>

	their clients to a showroom. In this particular segment the trend is that the central purchase departments try to limit the number of suppliers. Especially in the DIY market this is the case.	

5. How to improve the quality:

There is a strong demand for visual perfection in the EU market. For example the customer will not accept discontinuities in the surface. Structural failures will lead to dissatisfaction about the product, therefore it is strongly recommended to carry out a thorough quality check (visual inspection) before shipment and proper packaging methods in order to prevent damage during transport.
Other aspects are the dimensional tolerances, reproducible colour control, mechanical properties, etc. All according to the relevant standards.
Innovation subjects might aim at the production efficiency in order to be able to compete on price and to improve the quality according to the mentioned aspects.
Another possible innovation objective might be to increase the added value. This might be possible by offering total concepts (together with complementary suppliers) or by exclusive product development in co operation with the whole saler or the DiY chain.
Also integration on a sub level (for example integration of taps) might be a possibility.
To develop concepts it might be wise to find cooperation with local industrial designers or consultants for product development,
In consultation with the EU importer a preferred system of labelling can be agreed upon. EU importers prefer to include barcodes on the labels of the pallets indicating the article number and the number of articles on the pallet. Furthermore EU importers prefer to have the production date (because of the colour nuance) and an indication of the quality (first, second or third choice) printed on the label.

11 INTERNAL ANALYSIS: COMPANY AUDIT

In order to assess to which extent your company is capable to take advantage of the opportunities identified in the external analysis (Chapter 10), it is important to evaluate your company's performance. This section takes a look at the company's resources and answers questions like 'how well is the company prepared for entering the EU market' and 'what are the company's (core) competences'. This will provide input for the Strengths & Weaknesses part of the SWOT Analysis.

11.1 Product standards, quality, USP and production capacity

Chapter 9 (and section 10.1) discussed the relevance of product standards. It is therefore of importance to analyse the current standard of your product, before trying to export to the EU market. If your product does not meet these product standards, you should first adapt your product in the area of quality, packaging or labelling. In general your credits will be limited. In case of client complaints, the manufacturer is expected to contribute to solutions, and to provide these solutions to his clients. You should avoid the repetition of failures by taking the proper measures. Manufacturers run a serious risk to loose their market share, if there is a lack of consumer confidence.

If you have doubts over the quality of your product, it is better to discuss this openly with your business partner, and to request a certain amount of time to solve possible problems. Your partner will possibly be able to help you in setting priorities in the improvement of your production process.

By writing down your company characteristics systematically, you can create a list, which can be used as a basis to determine the Unique Selling Proposition of your company. A unique selling proposition or USP defines what makes your business unique from every other competitor in the field. Although this is one of the most difficult subjects to realise, the exporter should try to look for ways that distinguishes him from his competitors, in other words to present his USP to potential trade partners in the EU. A USP spells out the precise niche you seek to fill and how you aim to fill it.
USP's are built on the company's strengths and weaknesses regarding:

- the product,
- the price,
- the promotion and the
- distribution

but also:

- production efficiency,
- price of resources,
- location and transport costs,

- networks in the targeted markets and
- your ability to produce certain specialties.

This list enables you to compare your company with the present market players in your targeted market. The comparison will give you a first insight of the possible Unique Selling Proposition. You should however be aware of the fact that it is important to make the comparison from the point of view of your future customer and possibly also his customers. Information about this can be obtained through telephone and Internet, or even better, by personal contact or a meeting on a trade fair. For market research purposes, this might also be one or more regional business fairs where the prices of stands are modest compared to the leading fairs and where there will hardly be any direct competition. Generally these regional business fairs are organised in co-operation with the local chambers of commerce.

You should bear in mind that reliability is of utmost importance to maintain your business relationship on a long-term basis. Moreover, reliability will expand your customer base. If for example your agent or importer is very active in the market and achieved an increase in orders over time, it is absolutely unacceptable that he exceeds the agreed time of delivery. For this reason, it is important discuss your production limit from the very beginning. Part of the agreement should, therefore, encompass both the minimum amount of sales to your partner and the maximum amount of sales with respect to your production capacity. A clear agreement will prevent disappointments for both parties and will also be a good basis for possible expansion of investments.

Reliability with respect to quality, time of delivery, service, etc. will be an important issue for determining the competitiveness of the exporter. Confidence forms a strong basis for the continuation of the business relationship.

11.2 Logistics

When you have done the external analysis (chapter 10.3), you should have an overview of the logistical requirements that a given trade channel implies for your company. You should now make an assessment of your company against these requirements, i.e.
- How often are you able to deliver?
- How flexible are you? (E.g. how long would it take you to organise an additional shipment?)
- Are you able to handle the administrative requirements?
- Which are the packaging standards you can accommodate?

All these questions you need to think through with the practical implications in mind. For example, administratively, fewer but larger shipments may be preferable, but this would require additional storage capacity. What are the financial implications of these trade-offs?

Note that the physical shipment of sanitary ware or ceramic tiles may go directly from the manufacturer to the DIY chain or a project developer. Although the paperwork and sales agreements may involve importers or wholesalers, the latter generally don’t physically handle the goods.

Delivery terms form an important issue, as already stated under 11.1. From the customer’s point of view, it is important that the product is delivered in time. The date of production is only part of the delivery procedure. Transport from the factory to the harbour, transport by ship or plane and again transport to the building site or a logistics centre has to be planned carefully within the time of delivery. Therefore, it is of great importance to make firm agreements with all the players in the logistic chain. It also might be useful to exploit alternative routes or emergency routes. If a carrier is not able to fulfil his obligations in time, for example due to a strike, the total transport chain will be disturbed. In these circumstances it is useful to have alternative procedures at one's disposal.

Another aspect is the situation when the delivery is wrong, incomplete or partly damaged. In that case the manufacturer should be able to complete the delivery with high speed. Failures should of course be limited, but it is not realistic to ignore this possibility. Furthermore, the costs of 'repair' are rather high. It is, therefore advised to calculate a certain percentage of loss in the price. The exporter should also pay attention to delivery terms and formalities (Customs declaration). Part of the logistics is also the costs of taxes. See for this item section 9.2.

It has to be emphasised that a good insight in the time of delivery and therefore the total logistical system is an absolute necessity to achieve success. Excellence in management of logistic and decrease of the time to deliver can even be a very important element of rating the competitiveness (see also 10.3 and 10.4). Reliability in supplying in time is one of the most important competitive aspects. One should be aware that both tiles and sanitary ware are part of the finishing process of buildings and that the product choice often is made in a late stage of the building process.

11.3 Marketing and sales

Importers, agents and wholesalers expect to be supported with information sheets, brochures, displays and other promotional information. As a first impression can only be made once, special care must be given to your company presentation, whether in print or via electronic media (cd rom, website etc).
To adapt your company brochures and/or product sheets etc to the standards used by your prospective buyers, a special guide was developed by the CBI: **Your Image builder.** This guide can be downloaded from the CBI website (http://www.cbi.nl ->exporters -> Download publications -> manuals).

The external analysis already identified a number of demands your company must be able to fulfil depending on the choice of trade channel. Again, you must assess these requirements against the current capabilities of your company.

Generally speaking, personal contact is necessary to develop and maintain the business relationship. Quite often this personal attention is achieved by sales trips. The attention is necessary from the commercial point of view, but a visit can also be used to evaluate the progress, to discuss the problems, to visit big clients, etc. This is not only important to support the importer or agent, but also to get feedback from the market in order to be able to improve products or even to initiate product development.

It might also be useful to be able to receive visitors to your production plant. A visit of your direct business partner (importer, wholesaler, or agent) will contribute to the good relations and enhance (mutual) trust.

The business with your overseas partners is often concluded on the telephone, by fax or by e-mail. A well-functioning sales department with clearly defined tasks is therefore an absolute prerequisite for successful market participation. Special attention should be given to follow-up of customer enquiries. The efficient use of modern communications like email is indispensable. Your customer expects to be able to reach you quickly when the need arises AND expects swift replies. Make sure that not only your travelling sales persons know all details regarding your customers and projects, but that questions regarding the projects or offers can be handled by internal contact persons: your internal sales force or back office.

These general requirements on marketing and sales have a close bearing on the sales channel assessment made in chapter 10.3. After evaluating the prospective countries and markets, the particular sales channels within these markets must be assessed. In 10.3 the marketing aspects were already mentioned.

11.4 Financing

At least the following financial aspects need to be considered when working out the export plan: capital investment, the production phase, complementary activities, and methods of payments.

Capital investment refers to the additional investments in plant and equipment needed in order to be able to serve the export market. During the production phase you will also incur operating costs. Even if you are not yet selling your product (e.g. building up inventory for a bigger shipment), your workers still need to be paid. Complementary to the production itself are marketing activities, which may not necessarily coincide with the actual production with respect to time. Finally, the method of payment chosen will determine when you will receive your money. The sales channel chosen (see section 10.3) also has implications on the amount of activities that you need to finance.

Considerations when specifying Methods of Payment:
The most common forms of payments were discussed in 10.4. Note that an experienced exporting firm extends credit cautiously. It evaluates new customers with care and continuously monitors older accounts. Such a firm may wisely decide to decline a customer's request for open account credit if the risk is too great and propose instead payment on delivery terms through a documentary sight draft or irrevocable confirmed letter of credit or even payment in advance. On the other hand, for a fully creditworthy customer, the experienced exporter may decide to allow a month or two to pay, perhaps even on open account. It is always advisable to check a buyer's creditworthiness (even if safest payment methods are employed).

11.5 Capabilities

Commitment to export
Exporting is more complex than simply increasing production. Among other things, orders need to be taken and processed, and custom’s and shipping documentation need to be prepared. This requires a significant administrative infrastructure with dedicated staff.

Export experience
Constantly evaluate your experience and identify areas where operations could be organised more smoothly. It is important to learn from past experience: what works, what doesn’t?

Language skills
In most European countries English is commonly spoken. However especially in Spain and Italy and to a lesser extent in France and Germany, you will meet business partners who do not speak a word of English. The same can be said for other cultural aspects. For example, the UK and the Netherlands have a tradition in trading with all kind of countries. These countries will be more receptive for other cultures than, for example, countries like France and Italy.

Overall, to achieve cooperation on the basis of mutual trust, flexibility and commitment are indispensable. If you do not maintain your own business relationships, you should have an employee with the necessary flexibility and alertness. Furthermore, your employee should be well informed about the firm, the products he represents, and should possess the willingness and ability to learn about local market needs. It is evident that this employee should be in the position to take decisions. It is also important that your partner is always confronted with the same person of your company.

12 DECISION MAKING

Once you have done a thorough analysis of the market based on a solid field research then you will be able to do a good and meaningful SWOT. The internal analysis set out in chapter 11 identified the S for **S**trengths and W for **W**eaknesses of your firm. The external analysis as described in chapter 10 on the other hand provides you with the input for the O for **O**pportunities and T for **T**hreats.

A format for a SWOT analysis of an imaginary, developing country producer of high quality sanitary ware could look as follows:

Strengths	*Weaknesses*
• Consistent and high product quality • Reputation for innovative design • Long experience in exporting to the EU	• Insufficient language capabilities • Problems with on-time delivery • Relatively high costs of labor
Opportunities	*Threats*
• Increasing preference for high quality, luxurious products • Easier access to markets in accession countries • Increasing share of developing countries in sanitary ware imports of France, Belgium and the UK	• Increased competition of producers from countries with lower costs of labor • Recession in many EU markets • Increasingly strict demand for adherence to complex EU standards

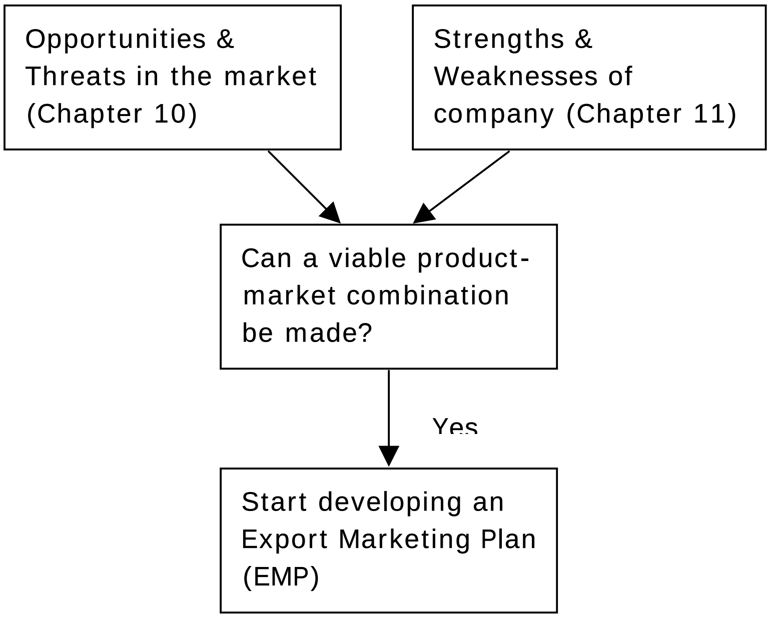
A systematic combination and presentation of your analysis forms the SWOT analysis. Try to be as specific as possible! A number of issues may evolve out of the SWOT and have to be discussed/ decided upon in connection with formulation of the marketing plan. For example:

1. If we invest in a new production line we can reduce our production costs to a competitive level and we will be able to get a share of this fast growing segment within 3 years. Are we willing to invest in this volume market, or
2. Should the company invest in the targeting of the smaller design conscious segment?

Your analysis has amongst others revealed:

- Products suitable for export and their eventual adaptation.
- Target countries and market segments.
- Possible sales channels to serve markets.
- Special challenges in those markets like competition, country specific policies, cultural influences, import barriers.

It is clear that the combined results of the external analysis and the internal analysis lead to your decision to export or not. In case the decision is taken to start exporting your next step is to draw up an export marketing plan.



The EMP defines the marketing strategy with which the market will be penetrated. It sets the goals and objectives and is based on the factual information gathered in the internal and external analysis.
Your (long term and short term) objectives should be measurable and specific. They could be for example:

- Volume of sales in units / money
- Market share
- Distribution coverage (e.g. 'get five dealers to stock our products')
- Customer awareness (e.g. 30 percent of potential end users will know us and our product by the end of this plan period).

Obviously, you must double-check that your objectives are consistent and realistic. Often, it is a valid choice to start with relatively "safe" export products for which you have most manufacturing expertise.
The procedure whereby the identification of a possible successful product-market combination and sales channel are formalized in a written Export Marketing Plan greatly enhances the chance of success. The plan not only serves as a "road map", but also helps in communicating the (new) company policy to your employees. It furthermore reduces the chances of a mismatch and the subsequent waste of company resources. In order to set up your Export Marketing Plan, please refer to the Export Planner of CBI.

13 MARKETING TOOLS

This chapter will discuss which marketing tools you can use to build up successful business relationships.

13.1 Matching products and the product range

A supplier can only select a suitable business partner if he/she knows exactly what range he/she can offer. In the internal analysis (see Section 11.1), you reviewed your product range and product characteristics. The aim of this review was to enable you to match market opportunities with your company's products on offer. This review is also the starting point for considering possibilities to improve your product range.
A product range consists of several product groups (range width), each with several different products (range depth). For example:

- The product range consists of ceramic sanitary ware.
- This product range consists of the following product groups: sinks, wash basins, wash basin pedestals, baths, bidets, water closet pans, flushing cisterns, urinals (range width).
- The product group baths includes ordinary build in baths, luxurious (e.g. specially shaped baths) build in baths, Jacuzzis, whirlpools (range depth).

The product range includes the services, which can be derived from the available production facilities, production process, production capacity, production flexibility and the possibilities to buy raw material according to the requirements of the business partner.

In some cases, you may find out that the current product range does not match the identified market segment and sales channel's demand. A possible cause of this mismatch can be found in, for example, different consumer preferences, producer's quality standards or other underlying external or internal factors which cause a lack of demand in the European market even if the products are successfully sold in your own country or other export markets. For ceramic tiles and sanitary ware, national markets may still experience different trends in fashion, you therefore need to monitor these trends on a national level.

Specifying product characteristics

Producers should make a review of all the products they make, stating the minimum requirements to which they are related, production capacity and packaging method. The reviews must enable potential customers to make a brief appraisal of the complete product range and production capacity; it must include minimum order quantity and the possibility for additional orders.
The reviews must always be kept up-to-date. The products and the range should be flexible so that adjustment and adaptation can be executed according to buyers' wishes.

Packaging design

The protective function of packaging for shipment and requirements for packaging to ensure minimal environmental damage have been described briefly in chapter 9 (including the references to CBI's AccessGuide and to ITC) and is valid for all types of producers.
Special transport packaging is necessary to ensure that the products arrive in perfect condition at their destination. Unsuitable packaging often causes damage to the product. The packaging design should take the following into account:

- Proper storage and transport
- Standard packing sizes
- Environmentally friendly materials

The following questions aim at assisting you in designing your packaging:

Proper storage and transport
Have your importers ever complained about the quality of your products?
Possible causes:
- Unsuitable packaging material
- Unclean packaging
- Insufficient protection during transport
- Too many products in each packaging

Do your importers use special transport packaging?
- Perhaps you could use this special transport packaging as well.
- You may also be able to make use of the importer's packaging know-how.

Standard packing sizes
Does your importer use standard sizes?
- Using the wrong package size can have a negative effect on your business.

Recyclable materials or two-way systems
Fully recyclable packages must be used when trading with certain business partners. When doing so, please observe the following:
- Minimise the use of plastic by using alternative environment-friendly materials such as carton.
- Colouring materials used should not be harmful to the environment
- In the case of metal packaging use no (or as little as possible) cadmium, mercury or chromium (since 30th June 2002 maximum concentrations allowed in packaging are 100 ppm).

13.2 Building up a relationship with a suitable trading partner

Among the many potential customers, you must identify those who match your own company profile and product range and are therefore most suitable for building up a relationship. At the end of the identification phase, the supplier should have selected the names and addresses of suitable trading partners. Sources of information to contact in the producer's country are:
- The country of destination's Chamber of Commerce for Foreign Trade, and/or
- The Economic Affairs departments of the country of destination's official representative (Embassy or Consulate).

Sources of information to contact in the country of destination are:
- Business Support Organisations (former Import Promotion Organisations);
- Trade Associations (see appendix 2.3);
- Country's public and private trade promotion bodies;
- Country's diplomatic and consulate representatives;
- Chambers of Commerce; and,
- Trade fair organisers, through printed catalogues or websites (see appendix 2.4);
- Trade directories, like http://www.kompass.com or http://www.europages.com;
- Consulting trade press (see appendix 2.5).

It has to be noted that many sources of information only answer written inquiries, while a detailed inquiry improves the chances of precise identification.

Evaluate the received names and addresses, using the following criteria:
- Is the information complete?
    - Full address, including email;
    - Telephone and fax number;
    - Name of the person to contact.,
- Is the importer active in the country you have selected?
- Does the importer focus his activities on the corresponding, i.e. your, product groups?

- In which market segment is the importer active?
- Names of other suppliers to the importers?
- Enough sound information about the reliability of this partner?
- Check your potential buyers' financial status credibility if possible, for instance credit rating reports by Dunn and Bradstreet (http://www.dnb.com).
- For first orders it is common practice to specify payment per LC (letter of credit). However, most common form of payment in this sector is open account payments (see section 10.4.2)

Using these criteria, draw up a priority list of the contact addresses you have received.

To some extent, the European DIY market is still segmented into national markets subject to national trends in fashion and other developments. The large DIY chains therefore generally operate on a national level and will have national headquarters where autonomous purchasing decisions are taken. The purchasing departments of these national headquarters are a good point of initial contact. You could not only provide information on your current product range that you are able to supply, but you could also ask about future requirements. Once the DIY chain has settled on an assortment that it will want to stock in future, you may tailor your production to fit into these plans.

13.3 Drawing up an offer

Referring to chapter 10, paragraph 4, different prices and margins apply which will influence the price you can ask for your product. If you have a clear picture as to whom you will export, and what price would be suitable for your product, you can now make an offer to the potential importer of your product.

In general, there are two different kinds of offers:
1) General offer;
2) Specific offer.

Drawing up a general offer
- The purpose of a general offer is to make the first contact with potential trading partners with whom the supplier is not yet personally acquainted.
- A general offer consists of sending a short profile of your own company and a summary of your product range.
- In a personal letter, briefly introduce your company and tell what you have to offer.

Drawing up a specific offer
- A specific offer is legally binding for a certain period of time. You must therefore be capable of fulfilling the terms of the contract.
- You should make up a specific offer only when you know the business partner personally or after you have made the initial contact.

When sending a specific offer, it should consist of two parts:
Written offer:
– Name of the person responsible in your company;
– Exact description of the goods offered (preferably using an internationally valid quality standard specification);
– Price of the goods offered in accordance with the Incoterms 2000 (ICC publication; if applicable, split up by delivery quantities or quality); and
– Possible delivery date and terms of delivery.
Product samples:
– Product samples must correspond to the goods available for delivery (if they do not, this can have a lasting negative effect on business relations);

– State the treatment methods used (if possible, provide quality certificates from an internationally recognised inspection organisation and send a reference list of existing customers).

General remarks

Recommendable action for both kinds of offer:

- A telephone call to ask whether the offer (and the samples, if applicable) has/have arrived.
- An invitation to visit your company.
- Possibly propose a visit to the country of destination. In that case:
    - If necessary, hire an interpreter.
    - Ask your own consulate or other intermediaries for assistance.

13.4 Handling the contract

A contract is not necessarily a document. If two parties agree on something verbally, this verbal agreement constitutes a contract according to most European laws. However, since in the case of a verbal contract it is very difficult to prove that a specific issue has been agreed upon, it is important to make sure that a verbal agreement is confirmed in writing.

When handling the contract, you should consider the terms and the fulfilment:

Contract terms:

- The contract parties: The seller, the buyer, the broker and/or buying/selling agent. Of course, all names and addresses must be correctly spelled.
- The product, price and quality of the product are sufficiently specified, so that no misunderstandings can arise.
- The quantities must be mentioned. If the buyer and the seller agree to more or less than the agreed quantity, this has to be specifically mentioned.
- The delivery terms are mentioned according to the description specified in the Incoterms 2000 (please refer to http://www.iccwbo.org/index_incoterms.asp).
- Particularly when delivering for the first time, it is common to deliver the goods on CFR or CIF basis as agreed and payment by L/C. In the case of CFR, the importer in the EU, primarily to facilitate payment in the event of a claim, handles the insurance component.
- The delivery time is a vital piece of information on which the seller and the buyer will have to agree.
- Packaging details, including measurements and weights.
- If one of the parties has negotiated special conditions, this has to be mentioned in the contract.

Suppliers should be aware that failure to meet the specified delivery will usually result in cancellation of the order, based on claims for too late delivery. The same procedure can be expected in the case that products are not up to the stipulated standards of quality. Penalties for deviations from the contract, e.g. late delivery, may sometimes be included.

Contract fulfilment:

- Procure the delivery documents on time.
- Comply strictly with all parts of the supply agreement.
- If you cannot comply with any part of the agreement (e.g. delivery delays or quality problems), inform the customer clearly and in good time.
- Co-operate on a partnership basis and seek a common solution, even if conflicts arise.
- Fulfilling the contract should have a high priority, particularly when delivering for the first time.
- What will be done if the two parties disagree with each other? To which arbitration court / district will they turn?

In the sanitary ware and ceramic tiles business, contracts are generally agreed for annual periods. These contracts may specify a bonus if a customer is able to purchase in excess of certain quantities. Some large projects may give rise to one off contracts with manufacturers, these will generally be channelled through importers or other traders.

13.5 Sales promotion

Sales promotion forms an important part of your sales strategy. Sales promotion develops and expands customer relations. Paying attention to existing customers attributes strongly to the continuity. This includes, for example, expressions of thanks to business partners and regular updates on the product range; supplying brochures of the product range may be useful for promoting sales just like keeping business partners up-to-date on recent product developments. At the same time, you yourself should keep up to date with the demands of your customer in order to modify production if so required. The consequences for production capacity can be that, in some cases, the production capacity has to be increased for existing customers, or the product range should be guided by demand and changes to the product range may become necessary. Providing good after sales service is one of the most powerful sales promotion tools: selling to existing, satisfied customers is much easier than finding new, first-time customers. It builds your reputation as a reliable partner. Sales promotion may also include giving discounts to large buyers. In the sanitary ware and ceramic tiles industry, it is common to reward price discounts when buyers exceed certain volume thresholds.

Developing customer relations:

- Take good care of existing customers. This includes, for example, expressions of thanks to business partners, regular information on the product range, etc.
- Brochures on your company and the product range can be useful for promoting sales.
- Participation in trade fairs (see Appendices 3.5) is a good way to promote your product, and at the same time, it serves as a meeting place between different suppliers.
- Ask existing customers for letters of reference. Such recommendations are particularly important when making new initial contacts.

Expanding supply quantities:

- In some cases, you may be able to increase supply quantities to existing customers.
- The product range should be guided by demand. Changes to the product range may become necessary.
- If you can increase the present quantities produced, you could look for new sales outlets.
- You can use your existing export experience to trade with other importing countries.
- Always answer a letter of inquiry. If you cannot supply this contact, say so, explaining that you will get in touch with him if/when the supply situation changes.

After sales services:

- Provide your costumer with extra services, such as guarantees, reduced prices at second ordering etc.
- Extra services are a form of client binding. They will improve your relationship, and your network.

An additional service that could be offered is to provide installation manuals for the supplied products. While ceramic tiles may be straight forward to install, sanitary ware such as, for example, a bath tub, may be more difficult. Supplying manuals will ensure that the end-customer will not come back to the DIY store for additional support.

Anything that smoothens the transaction between the end-customer and the DIY (or any other) store will make your product more attractive.

13.5.1 Advertising and communication

Advertising refers to communication measures with the aim of increasing the sales of your products.
The prerequisites for successful communication measures are:

A clearly defined	"Who buys my products?" (target group)
A well formulated	"What do I want to tell the customer?" (message)

Internet

Internet is rapidly changing the way business is done. Every industry is under the influence of rapidly developing insights in the new ways companies can position themselves. It is tempting to look at the technical side of the world wide network of computers but the true importance is the evolving expectations your customers have of your company. Applied to the promotion of the company image, Internet offers you the possibility to serve your (prospective) buyers one on one. Your customer will expect to be able to satisfy his information needs quickly and completely on a well developed, clear and up-to-date website. All questions your customer has should basically be answered by your Internet presence, most often a combination of company background, an overview of the staff, the products and their full specifications etc. But not only the direct sales promotion is of importance, the demand for online support is growing quickly, in case of questions the customer expects at least a first line of support.

A web interface has been identified as an invaluable tool to provide easy customer access to company information, and also to have the capability to respond with speed and flexibilty to a range of customer requests. The following link provides an interesting case study of a tiles producer that set up a web interface and the way this contributed to improved business:
http://www.enterprise-ireland.com/documents/uploaded/vitratiles.pdf

B-to-B portals

A practical development in the market for ceramic tiles and sanitary ware is that suppliers are participating more and more in global sites promoting these products. Often, these sites are initiatives of private companies with support of government bodies. In this way, a number of "country" sites are developing, that aim at the promotion of the national industry. It is not always in the form of a marketplace, with direct buy-sell possibilities, but often in the form of brokering trade leads or b-to-b portals. At these sites all kinds of additional services such as consultancy, trade information etc is provided. Each of these sites is aiming to become a gathering place for customers and suppliers, quite often for more than one industry. It should therefore be considered to develop a promotion policy whereby a short list of these market sites is compiled and used to promote (a part of) your product range. A number of relevant sites for the ceramic tiles and sanitary ware industry:

- China Trade Directory: "The most Comprehensive Database of China & Taiwan Manufacturers"

  http://www.manufacturers.com.tw/search_keyword.php?st=1&sk=ceramic+tiles

- Trade - N - Business Global Yellow Pages Network, for Indian businesses. An organisation in the field of Trade Promotion, through both the print and Internet Media
  http://www.trade-n-business.com/directory/bath.html

- Alibaba.com is the world's largest marketplace for global trade and is the leading provider of online marketing services for importers and exporters. Alibaba.com is

the number one destination for buyers and sellers to find trade opportunities and promote their businesses online.
http://www.alibaba.com/catalogs/1540/Bath_Toilet.html

A good Internet marketing policy can present your company to every potential client in any country with access to the Internet. You must realise, however, that your organisation must be thoroughly prepared for requests from all over the world.

Costs and dispersion losses
Two parameters are used to measure the costs of any communication measure:

Cost per contact: "How much does it cost to convey the message to one target company/person?"
Total costs: "How much does the whole campaign cost?"

It must be borne in mind that not all messages sent actually reach the addressees (target persons). The costs for messages that do not reach the right addressee are called dispersion losses.

Recommendations
It is advisable to commence with communication measures, which only require a small amount of planning and co-ordination, such as revising the company's standard printed matter:

- Standardise all **printed paper** used outside the company (letterheads, business cards, fax form, etc.).
- Prepare long-term **sales documentation** (company brochure, product range reviews, etc.).
- Prepare product-specific **sales folders**.
- Make all material available on the **company website**

Constant, prompt and reliable communication is a vital prerequisite for maintaining a long term business relationship with a customer.

13.5.2 Sales organisation
The term "sales organisation" refers to the organisational system that carries out the sales of the company's products and pursues quality control. A sales organisation usually consists of office personnel and a field force. The essential tool used in the sales department is a detailed and up-to-date customer database with address information and the data on ongoing offers and projects.
If possible, the customer database should be computerised, because this simplifies changes, updating, sorting and selection procedures, etc.
Business with partners overseas is often concluded on the telephone, by fax or by e-mail. A well-functioning sales department with the appropriate language and communication skills is therefore an absolute prerequisite for successful market participation.

13.5.3 Participation in trade fairs
Participation in national and international trade fairs can be a useful sales promotion tool in the trade of sanitary ware and / or ceramic tiles. This aspect requires comprehensive and detailed examination because of its complex nature, comprising:

- Selection of a suitable trade fair and preparations for participation;
- Participation;
- Follow-up.

Trade fairs, in the same way as a promotion campaign, need thorough preparation. Trade fairs are on the one hand very costly, on the other hand, if well prepared, they will provide excellent opportunities to promote your product. A list of steps is given below:

Before the trade fair:

- Up-date your customer files

- Prepare all documentation (business cards, company brochures, product range, etc.)
- Make a preparatory mailing, informing your present and potential customers of your booth number and inviting them to visit you in the booth and/or propose to visit them (i.e. the existing clients).

During the trade fair:
- Register all contacts

After the trade fair:
- Enter all your contacts in a database.
- Answer the contacts to thank them for their visit and send the information you promised.
- Make a second mailing several months after the first one, to remind your contact that you are at his disposal to answer any inquiry.

The most important trade fairs for sanitary ware and ceramic tiles are the following:
- Germany: Bau (München) and ISH (Frankfurt)*;
- France: Batimat (Paris);
- UK: Interbuild (Birmingham);
- Italy: CERSAIE (Bologna);
- Spain: CEVISAMA (Valencia)**;

* Focussing on sanitary ware
** Focussing on ceramic tiles

Please refer to Appendix 2.4 of this survey for contact details of trade fair organisers. The Internet in general is also a good way to get in touch with future partners.

APPENDICES

APPENDIX 1 IMPORT AND EXPORT DATA FOR THE EU

Table A.1 EU Imports of plastic baths, showers and washbasins by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	376.213	68.207	376.482	72.843	396.867	69.116
Extra EU	101.340	24.287	109.473	26.282	126.254	30.695
Developing Countries	54.645	13.239	55.363	14.256	68.822	18.179
Accession Countries	24.771	6.250	26.186	5.511	27.716	5.627
Top 3 suppliers						
Italy	59.738	9.952	64.438	15.700	60.238	8.868
Germany	30.181	6.335	34.272	4.796	39.841	5.676
Utd. Kingdom	38.968	7.066	36.250	6.572	34.984	6.642
Top 10 developing countries						
Egypt	24.864	4.742	26.697	5.855	30.136	7.652
South Africa	14.268	4.668	15.370	5.147	19.232	5.714
China	728	1.170	1.276	360	5.441	1.545
Turkey	6.056	1.656	4.241	1.111	4.395	1.012
Croatia	2.726	708	2.987	687	2.728	649
Bahrain	3.380	17	717	560	2.054	85
Tunisia	2.281	577	2.355	602	1.967	821
Namibia	2.922	649	773	240	1.710	481
Morocco	2	0	383	56	410	57
Thailand	158	39	222	46	217	48
Top 10 Accession countries						
Slovenia	5.817	1.483	7.193	1.704	8.220	1.798
Czech Rep.	8.535	1.958	9.305	1.933	6.754	1.453
Poland	7.886	2.328	5.419	1.222	5.708	1.039
Slovakia	1.061	267	1.156	286	3.242	793
Estonia	707	84	2.371	253	2.843	382
Hungary	710	121	572	77	709	107
Latvia	70	20	71	17	184	49
Malta	42	5	70	8	50	5
Cyprus	4	1	26	10	3	1
Lithuania	1	1	2	1	2	0

Source: Eurostat (2004)

Table A.2 EU Imports of plastic lavatory seats and covers by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	106.385	21.897	115.506	21.002	131.128	27.958
Extra EU	12.172	2.904	17.575	4.238	24.685	6.762
Developing Countries	4.581	1.650	8.187	2.673	14.495	5.097
Accession Countries	1.030	388	1.053	356	1.464	396
Top 3 suppliers						
Italy	27.165	6.664	28.253	6.138	32.447	9.782
Denmark	28.128	3.499	28.606	3.265	28.527	3.426
Germany	12.508	3.073	15.769	2.027	16.815	1.989
Top 10 developing countries						
China	1.258	338	4.457	1.098	11.620	3.758
Croatia	1.584	845	2.183	1.172	2.243	1.164
Turkey	605	174	478	151	185	68
South Africa	346	70	471	154	157	47
Indonesia	309	23	357	25	152	16
Thailand	256	119	35	14	55	20
Tunisia	4	0	10	4	34	5
Malaysia	0	0	1	2	14	7
India	16	3	118	22	11	2
Egypt	37	16	55	30	11	8
Top 10 Accession countries						
Poland	444	166	487	184	634	230
Czech Rep.	511	208	441	137	622	122
Slovakia	55	12	68	25	102	27
Estonia	1	0	5	1	47	9
Hungary	17	2	37	7	31	3
Slovenia	2	0	13	2	29	6
Malta	0	0	0	0	0	0
Cyprus	0	0	2	0	0	0
Latvia	0	0	0	0	0	0
Lithuania	0	0	0	0	0	0

Source: Eurostat (2004)

Table A.3 EU Imports of plastic bidets, lavatory pans, flushing cisterns and others by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	374.794	51.576	373.527	51.872	377.638	50.936
Extra EU	99.535	12.465	91.011	11.382	96.592	12.803
Developing Countries	10.909	2.418	13.963	2.681	19.452	4.000
Accession Countries	14.715	3.619	17.529	4.233	19.735	4.523
Top 3 suppliers						
Germany	139.077	18.652	145.022	18.974	151.691	18.636
Switzerland	55.902	4.350	44.828	2.745	44.864	2.552
Italy	39.120	6.239	33.675	5.311	32.210	4.964
Top 10 developing countries						
China	5.064	842	6.078	1.028	8.573	1.848
Tunisia	382	76	1.894	274	4.071	853
Turkey	2.165	632	1.905	509	2.547	563
India	926	213	1.294	299	1.281	269
Bahrain	14	1	800	35	1.048	46
South Africa	1.267	312	755	198	712	140
Croatia	259	52	441	71	409	74
Malaysia	94	7	196	17	276	31
Egypt	503	218	371	172	164	79
Vietnam	0	0	30	4	57	7
Top 10 Accession countries						
Slovenia	4.984	1.227	5.780	1.541	6.755	1.729
Poland	3.756	1.001	5.438	1.264	6.502	1.400
Czech Rep.	2.742	732	3.037	784	2.786	698
Hungary	694	240	470	159	1.711	249
Estonia	2.086	306	2.326	388	1.651	374
Slovakia	401	101	452	94	285	65
Cyprus	47	9	9	3	13	3
Malta	0	0	10	1	12	2
Lithuania	0	0	5	1	10	1
Latvia	4	2	1	0	10	2

Source: Eurostat (2004)

Table A.4 EU Imports of ceramic sanitary of porcelain or china by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	557.049	280.803	596.487	374.954	620.311	295.172
Extra EU	129.240	107.368	149.081	117.892	157.247	123.069
Developing Countries	61.245	51.963	77.181	61.443	85.098	67.436
Accession Countries	42.605	35.869	42.807	35.321	40.502	30.964
Top 3 suppliers						
Germany	94.566	21.404	103.087	23.157	100.362	20.518
France	53.521	23.247	70.551	22.300	67.045	22.651
Portugal	62.151	44.610	55.502	38.768	58.691	45.065
Top 10 developing countries						
Turkey	16.854	14.022	29.101	20.118	35.262	24.429
Morocco	17.837	16.691	19.493	17.757	18.041	17.679
China	9.209	6.722	10.195	8.337	11.702	10.232
Thailand	8.346	6.720	8.490	6.978	7.269	5.662
Egypt	4.746	4.674	4.106	3.653	5.186	3.767
Brazil	1	1	1.193	1.076	3.352	2.649
India	52	30	4	2	947	620
Croatia	933	730	835	609	906	583
Malaysia	820	463	651	415	716	442
Argentina	669	543	1.184	968	472	390
Top 10 Accession countries						
Hungary	17.410	15.399	17.026	14.189	17.575	13.863
Czech Rep.	8.299	6.617	13.676	11.002	12.558	9.377
Poland	16.591	13.722	11.395	9.931	9.877	7.610
Estonia	108	23	95	16	334	48
Slovenia	67	28	469	46	78	9
Slovakia	92	74	104	115	53	47
Malta	10	1	0	0	14	1
Cyprus	27	5	24	21	11	8
Latvia	0	0	18	1	3	0
Lithuania	0	0	0	0	0	0

Source: Eurostat (2004)

Table A.5 EU Imports of ceramic sanitary by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	259.586	153.639	308.854	163.793	297.609	167.912
Extra EU	126.995	100.141	148.375	112.330	166.969	126.291
Developing Countries	73.701	58.177	78.115	59.923	82.796	64.699
Accession Countries	18.398	13.440	29.838	20.471	35.209	24.612
Top 3 suppliers						
Turkey	37.856	27.365	37.983	25.412	48.335	31.645
Italy	27.732	10.284	33.945	10.826	30.615	9.408
France	27.476	11.475	46.872	10.341	28.965	7.494
Top 10 developing countries						
Turkey	37.856	27.365	37.983	25.412	48.335	31.645
Egypt	16.459	15.266	19.312	15.991	16.769	15.406
China	3.837	4.169	6.848	7.588	8.527	9.778
Thailand	3.426	2.601	6.362	5.512	4.141	3.882
Morocco	1.756	1.642	1.091	913	1.422	1.271
India	1.136	836	585	377	936	645
Tunisia	581	660	416	363	515	392
South Africa	22	9	49	15	513	395
Serb.Monten.	146	221	362	458	433	477
Brazil	394	248	254	184	389	300
Top 10 Accession countries						
Poland	2.707	1.911	12.274	8.167	14.671	10.098
Czech Rep.	9.369	7.028	9.800	7.061	11.196	8.379
Hungary	4.745	3.289	6.295	4.283	7.004	4.747
Slovakia	440	582	517	475	792	726
Slovenia	825	543	468	371	778	494
Estonia	265	69	439	86	629	127
Cyprus	46	17	37	25	70	31
Malta	0	0	0	0	58	9
Latvia	0	0	6	1	6	1
Lithuania	1	0	2	0	5	1

Source: Eurostat (2004)

Table A.6 EU Imports of stainless steel sinks and washbasins by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	158.736	18.624	158.797	43.387	176.530	23.977
Extra EU	49.848	5.857	57.910	6.976	62.526	7.414
Developing Countries	4.636	1.581	5.389	1.606	7.076	1.821
Accession Countries	12.966	2.170	16.973	3.005	19.238	3.255
Top 3 suppliers						
Italy	24.112	2.639	25.980	27.616	31.707	3.017
Switzerland	26.515	1.613	29.375	1.821	31.632	1.945
Germany	28.578	3.254	25.322	2.681	27.233	3.051
Top 10 developing countries						
China	320	79	1.601	258	3.009	574
Turkey	2.248	453	1.893	370	1.989	353
Egypt	1.575	911	1.250	795	1.113	695
Iran	122	26	87	17	358	89
Thailand	0	0	2	2	170	16
Bosnia and Herz.	255	94	336	123	127	44
South Africa	7	0	53	11	92	24
Brazil	22	0	68	3	76	5
India	23	2	32	14	27	3
Malaysia	0	0	40	4	23	4
Top 10 Accession countries						
Malta	5.782	833	8.494	1.261	11.291	1.642
Slovenia	3.417	581	3.891	660	3.207	545
Poland	1.351	232	2.250	358	3.029	659
Hungary	758	330	945	572	693	324
Slovakia	1.446	159	1.196	124	675	53
Czech Rep.	208	35	177	26	311	23
Cyprus	0	0	9	1	32	10
Estonia	4	1	9	3	1	0
Latvia	0	0	0	0	0	0
Lithuania	0	0	1	0	0	0

Source: Eurostat (2004)

Table A.7 EU Imports of cast iron baths by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	13.407	6.164	14.192	7.116	16.436	7.677
Extra EU	394	178	660	347	644	351
Developing Countries	121	121	80	22	103	82
Accession Countries	47	14	497	313	260	119
Top 3 suppliers						
Spain	2.778	2.322	4.067	2.937	5.370	3.685
Portugal	4.510	1.327	4.176	1.416	3.515	1.156
Italy	198	29	741	335	2.834	710
Top 10 developing countries						
Egypt	0	0	0	0	49	44
Turkey	76	78	56	19	41	21
China	1	0	5	1	8	15
Saudi Arabia	0	0	0	0	4	1
South Africa	2	0	1	1	1	0
Zimbabwe	0	0	0	0	0	0
India	0	0	0	0	0	0
Albania	0	0	0	0	0	0
Moldova	0	0	0	0	0	0
Georgia	0	0	0	0	0	0
Top 10 Accession countries						
Poland	30	8	257	165	130	48
Slovenia	0	0	237	148	91	60
Czech Rep.	0	0	0	0	30	5
Lithuania	0	0	0	0	6	2
Hungary	16	6	0	0	3	4
Malta	0	0	0	0	0	0
Cyprus	0	0	0	0	0	0
Estonia	0	0	2	0	0	0
Latvia	0	0	0	0	0	0
Czech Rep.	0	0	0	0	0	0

Source: Eurostat (2004)

Table A.8 EU Imports of baths of steel sheet by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	62.867	33.886	62.161	33.629	58.301	27.867
Extra EU	1.111	236	957	196	1.095	263
Developing Countries	205	75	353	94	293	89
Accession Countries	207	45	116	31	293	98
Top 3 suppliers						
Germany	28.822	10.649	30.256	10.908	32.686	10.983
Spain	9.184	6.880	8.732	6.223	8.459	6.449
Italy	14.805	10.890	11.517	9.346	7.202	4.886
Top 10 developing countries						
China	84	38	204	53	151	72
Malaysia	0	0	0	0	61	8
Thailand	0	0	12	1	48	3
South Africa	9	1	25	11	16	3
Turkey	50	26	101	28	5	1
Croatia	16	1	6	1	4	1
Morocco	5	1	0	0	3	0
India	12	2	0	0	3	0
Saudi Arabia	0	0	0	0	1	0
Albania	0	0	0	0	0	0
Top 10 Accession countries						
Poland	150	22	75	23	151	27
Slovakia	0	0	0	0	131	70
Czech Rep.	23	12	19	3	7	1
Slovenia	0	0	16	3	2	1
Cyprus	0	0	4	1	2	0
Malta	0	0	0	0	0	0
Estonia	13	1	0	0	0	0
Latvia	0	0	0	0	0	0
Lithuania	0	0	0	0	0	0
Hungary	0	0	0	0	0	0

Source: Eurostat (2004)

Table A.9 EU Imports of large sanitary of stainless steel by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	184.925	26.762	206.063	28.512	210.589	29.670
Extra EU	73.573	11.773	77.522	12.363	83.666	13.683
Developing Countries	23.782	4.609	28.128	5.428	32.956	6.310
Accession Countries	5.198	1.151	7.154	1.463	6.119	1.273
Top 3 suppliers						
Germany	34.912	4.741	41.098	5.409	45.018	6.297
China	18.852	3.964	22.218	4.560	26.347	5.385
Taiwan	26.279	4.432	24.719	4.113	25.445	4.661
Top 10 developing countries						
China	18.852	3.964	22.218	4.560	26.347	5.385
Thailand	502	43	893	66	2.249	181
India	2.070	273	2.103	393	1.868	278
Turkey	1.657	227	1.867	200	1.639	229
South Africa	69	8	199	30	258	56
Croatia	34	4	93	14	164	76
Albania	215	19	176	55	107	18
Pakistan	186	19	150	10	103	20
Bosnia and Herz.	57	20	74	28	75	27
Morocco	2	1	16	4	36	3
Top 10 Accession countries						
Poland	2.475	568	3.829	820	2.785	580
Czech Rep.	714	265	899	277	1.161	290
Slovakia	481	51	729	129	796	129
Hungary	375	81	441	78	610	180
Slovenia	466	87	300	51	498	63
Estonia	35	19	169	14	158	13
Malta	599	78	741	83	53	10
Cyprus	7	0	8	6	35	6
Latvia	31	2	19	1	24	2
Lithuania	15	1	20	5	0	0

Source: Eurostat (2004)

Table A.10 EU Imports of unglazed mosaic tiles (<7 cm) by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	17.571	31.052	13.882	22.006	14.294	90.268
Extra EU	1.973	1.621	1.282	1.224	1.295	1.202
Developing Countries	1.061	1.228	581	763	718	871
Accession Countries	26	20	72	107	41	53
Top 3 suppliers						
France	3.050	2.773	3.606	3.347	3.640	3.271
Italy	3.967	6.305	3.025	4.958	2.981	73.785
Germany	3.271	7.827	2.924	6.594	2.487	4.961
Top 10 developing countries						
Turkey	277	348	130	214	275	240
Tunisia	340	379	102	146	268	399
Malaysia	346	412	273	328	93	100
China	62	55	36	42	21	33
Brazil	0	0	20	26	17	27
Morocco	17	13	15	6	16	15
Vietnam	0	0	1	1	14	32
Indonesia	6	1	0	0	13	24
Saudi Arabia	0	0	1	0	2	2
Albania	0	0	0	0	0	0
Top 10 Accession countries						
Czech Rep.	9	3	23	47	18	6
Poland	10	8	1	1	13	21
Slovakia	0	0	1	2	7	25
Cyprus	0	0	0	0	3	1
Malta	0	0	0	0	0	0
Estonia	0	0	0	0	0	0
Latvia	0	0	0	0	0	0
Lithuania	0	0	0	0	0	0
Slovenia	0	0	0	0	0	0
Hungary	7	10	48	57	0	0

Source: Eurostat (2004)

Table A.11 EU Imports of unglazed flags and paving, hearth or wall tiles (>7 cm) by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	462.251	1.013.076	444.619	877.440	477.803	877.670
Extra EU	23.915	70.186	26.559	81.219	27.128	78.865
Developing Countries	12.393	33.583	10.654	29.766	10.536	29.561
Accession Countries	7.866	30.190	9.817	38.023	9.173	34.075
Top 3 suppliers						
Italy	296.366	589.183	295.930	548.466	313.867	559.852
Germany	31.350	64.522	30.748	62.347	37.814	71.087
Spain	32.683	77.196	30.756	66.608	32.434	64.551
Top 10 developing countries						
Turkey	9.230	27.646	8.543	25.317	4.099	11.551
China	184	369	221	435	4.073	12.231
Brazil	45	63	35	93	464	1.303
Tunisia	240	382	150	258	399	1.282
Mexico	512	1.295	438	829	304	515
India	283	600	103	444	300	968
Malaysia	439	534	243	329	254	314
Morocco	148	258	229	224	204	283
Indonesia	394	842	30	74	103	213
Peru	121	278	41	107	54	106
Top 10 Accession countries						
Czech Rep.	7.324	29.030	9.340	37.206	8.266	31.818
Poland	293	390	233	417	465	1.496
Hungary	48	74	141	252	248	374
Slovakia	9	25	25	71	68	213
Malta	50	47	21	16	46	72
Estonia	23	10	32	14	46	33
Slovenia	99	589	14	42	13	31
Cyprus	2	5	7	3	11	6
Lithuania	17	17	3	3	9	34
Latvia	2	5	0	0	0	0

Source: Eurostat (2004)

Table A.12 EU Imports of glazed mosaic tiles (<7 cm) by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	**Volume**	**Value €**	**Volume**	**Value €**	**Volume**
Total	97.063	153.259	72.921	116.636	83.659	128.225
Extra EU	10.361	13.717	11.888	16.208	13.923	17.935
Developing Countries	6.329	8.179	6.244	9.860	7.621	10.995
Accession Countries	1.533	4.195	1.733	4.090	2.163	4.664
Top 3 suppliers						
Italy	41.945	70.062	27.785	40.574	29.931	40.464
Spain	29.987	53.799	23.327	48.096	28.436	57.358
Germany	8.820	8.070	5.657	5.081	5.296	4.481
Top 10 developing countries						
Thailand	2.506	2.953	2.543	3.064	3.608	4.182
Turkey	2.809	3.893	2.653	5.352	2.319	4.395
Malaysia	265	455	435	513	290	371
China	78	95	73	80	258	450
Indonesia	171	259	183	304	255	370
Sri Lanka	9	20	0	0	168	357
Brazil	250	210	89	139	160	403
Grenada	0	0	0	0	152	24
Morocco	66	84	92	140	128	93
South Africa	1	0	18	2	78	14
Top 10 Accession countries						
Czech Rep.	733	1.691	1.141	2.638	1.565	3.045
Slovakia	481	1.273	389	1.066	449	1.300
Poland	43	80	12	28	73	135
Hungary	146	385	171	340	52	135
Lithuania	0	0	1	1	11	19
Cyprus	3	2	12	10	8	8
Slovenia	114	745	1	0	4	23
Malta	0	0	0	0	0	0
Estonia	13	20	6	6	0	0
Latvia	0	0	0	1	0	0

Source: Eurostat (2004)

Table A.13 EU Imports of glazed flags and paving, hearth or wall tiles (>7 cm) by source, 2000 – 2002, € 1000 / tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	2.403.165	4.746.035	2.367.656	4.910.451	2.272.676	4.163.006
Extra EU	252.733	736.082	273.030	786.273	254.983	715.424
Developing Countries	166.442	497.885	171.019	497.228	170.090	495.630
Accession Countries	56.624	158.252	56.563	162.722	53.627	141.382
Top 3 suppliers						
Italy	1.196.484	2.194.393	1.215.995	2.261.499	1.091.112	1.800.654
Spain	650.498	1.256.621	582.705	1.360.352	623.082	1.128.697
Turkey	110.726	342.255	112.492	337.599	118.092	353.466
Top 10 developing countries						
Turkey	110.726	342.255	112.492	337.599	118.092	353.466
Brazil	15.980	37.669	12.332	26.647	9.744	25.455
Malaysia	4.066	12.985	12.448	38.133	9.462	24.428
Indonesia	10.008	32.643	10.516	33.798	7.871	27.113
China	995	1.619	2.730	6.692	7.820	21.747
Tunisia	6.705	22.011	7.937	23.779	7.652	25.115
Thailand	3.688	5.957	3.338	5.220	3.319	5.114
Croatia	3.385	12.344	867	3.518	1.160	3.769
Morocco	1.221	1.411	1.053	1.361	1.058	1.303
Sri Lanka	658	1.289	839	1.672	956	1.678
Top 10 Accession countries						
Czech Rep.	35.707	99.894	35.192	98.429	37.498	99.137
Hungary	11.257	22.083	9.975	21.004	8.755	16.401
Slovakia	5.148	14.952	5.863	18.986	3.935	13.283
Slovenia	3.836	20.159	4.812	22.941	2.313	10.442
Poland	510	828	538	949	1.034	1.994
Cyprus	81	197	149	370	37	52
Estonia	3	4	11	25	25	30
Latvia	34	60	0	0	14	20
Malta	17	23	17	17	9	15
Lithuania	33	52	6	2	7	9

Source: Eurostat (2004)

Table A.14 EU exports of sanitary ware & ceramic tiles by product group detailed, 2000 - 2002, € 1,000 / Tonnes

	2000		2001		2002	
	Value	Volume	Value	Volume	Value	Volume
Total	**8.439.193**	**13.755.932**	**8.671.038**	**14.144.276**	**8.772.088**	**14.241.674**
Extra EU	**3.915.583**	**7.306.434**	**4.167.681**	**7.791.541**	**4.331.396**	**8.234.123**
Developing Countries	**930.217**	**2.263.513**	**1.065.215**	**2.737.246**	**1.101.873**	**2.903.590**
Detailed product groups:						
Sanitary						
Large plastic sanitary	**1.000.039**	**145.207**	**1.005.547**	**149.894**	**1.009.051**	**149.396**
Bathes, showers and washbasins	430.475	56.418	409.401	52.617	402.151	52.257
Lavatory seats and covers	99.509	22.140	109.984	27.329	108.225	26.313
flushig cisterns and others	470.055	66.649	486.162	69.948	498.675	70.826
Large ceramic sanitary	**901.950**	**345.460**	**946.155**	**364.122**	**960.163**	**345.312**
Large sanitary of porcelain or china	611.592	245.807	625.039	257.720	652.066	238.798
Other large ceramic sanitary	290.359	99.653	321.116	106.402	308.096	106.514
Large iron/steel sanitary components	**598.889**	**156.207**	**608.982**	**159.277**	**635.621**	**161.194**
Sinks and washbasins	221.434	26.781	215.730	23.752	246.593	28.004
Baths of cast iron	55.541	34.154	56.127	35.111	57.379	34.283
Baths of steel sheet	122.866	67.888	131.104	72.477	127.613	70.046
Other large sanitary	199.048	27.385	206.020	27.937	204.037	28.862
Tiles						
Unglazed ceramic flags and paving, hearth of wall tiles	**1.169.648**	**2.358.617**	**1.195.686**	**2.332.513**	**1.270.695**	**2.407.745**
For mosaics (<7cm.)	13.550	19.790	14.033	18.273	14.093	17.342
Flags and paving, hearth or wall tiles (>7 cm.)	1.156.099	2.338.827	1.181.653	2.314.241	1.256.603	2.390.403
Glazed ceramic flags and paving, hearth of wall tiles	**4.768.667**	**10.750.441**	**4.914.669**	**11.138.470**	**4.896.558**	**11.178.028**
For mosaics (<7cm.)	143.701	246.803	164.570	281.097	146.757	251.919
Flags and paving, hearth or wall tiles (>7 cm.)	4.624.966	10.503.638	4.750.098	10.857.373	4.749.801	10.926.108

Source: Eurostat (2004)

APPENDIX 2.1 STANDARDS ORGANISATIONS

INTERNATIONAL
International Standardisation Institute (ISO)
E-mail: central@iso.ch
Internet: www.iso.ch

EUROPEAN UNION
Comité Européen de Normalisation (CEN)
European Committee for Normalisation
E-mail: infodesk@cenorm.be
Internet: www.cenorm.be

AUSTRIA
Österreichisches Normungsinstitut (ON)
E-mail: infostelle@on-norm.at
Internet: www.on-norm.at

BELGIUM
Institut Belge de Normalisation (IBN)
E-mail: info@ibn.be
Internet: www.ibn.be

FRANCE
Association Française de Normalisation (AFNOR)
E-mail: info.normes@afnor.fr
Internet: www.afnor.fr

GERMANY
Deutsches Institut für Normung e.V. (DIN)
E-mail: postmaster@din.de
Internet: www.din.de

LUXEMBOURG
Service de l'Energie de l'Etat (SEE)
E-mail: see.normalisation@eg.etat.lu
Internet: www.etat.lu/SEE

THE NETHERLANDS

Nederlands Normalisatie-instituut (NEN)

Netherlands Standardisation Institute

E-mail: info@nen.nl

Internet: www.nen.nl

Rijksinstituut voor Volksgezondheid en Milieu (RIVM)

(National Institute for Public Health and Environment)

E-mail: info@rivm.nl

Internet: www.rivm.nl

UNITED KINGDOM

British Standards Institution (BSI)

E-mail: info@bsi-global.com

Internet: www.bsi-global.com

APPENDIX 2.2 SOURCES OF PRICE INFORMATION

Price information concerning sanitary ware and ceramic floor/wall tiles can best be obtained from the industry itself.

Internet sites consumer price lists are for example:

- www.mosa.nl (Dutch manufacturer providing retail advice prices for ceramic tiles)
- www.sphinx.nl (Dutch manufacturer providing retail advice prices for sanitary ware)

APPENDIX 2.3 TRADE ASSOCIATIONS

EUROPEAN ORGANISATIONS

- **Cérame Unie, Bureau des Liasions des Industries Céramiques Européennes**
- **Fédération Européenne des Industries de Porcelaine et de Faience de Table et d'Ornamentations (FEPF)**
- **European Ceramic Tile Producers (CET)**
- **Fédération Européenne des Fabricants de ProduitsRéfractaires (PRE)**
- **Groupement des Producteurs de la C.E.E. de Céramique Techniques pour applications électroniques. mechaniques et autres (GROUPISOL)**

E-mail: sec@cerameunie.org
Internet: http://www.cerameunie.org/

AUSTRIA
Verband Österreichischer Ziegelwerke
E-mail: verband@ziegel.at
Internet: www.ziegel.at

BELGIUM
Belgische Keramische Vereniging (Belgian Ceramic Association)
Verbond der Keramische Nijverheid van België en van Luxemburg
(Union of the Ceramic Industries of Belgium and Luxembourg)
Address: Av. Gouverneur Cornez 4, 7000 Mons, Belgium
Telephone: +32 (0)65 403434
Fax: 32 (0)65 348005
Email info@bcrc.be
Internet: www.bcrc.be

Nationale Groepering der Klein-Nijverheid (National Grouping of the Clay Industry)
E-mail: info@baksteen.be
Internet: www.baksteen.be

DENMARK

- **Dansk Pottemagermesterforening af 1894**
- **Kalk-og Teglvaerksforeningen af 1893**
- **Sammenslutniningen af Kunstindustrielle** c/o Dansk Industrie (Confederation of Danish Industries)

E-mail: di@di.dk
Internet: www.di.dk

FRANCE

Confédération des Industries Céramiques de France

Address: 15, Avenue Victor Hugo, 75116 Paris, France
Telephone: +33 (0)145 001856
Fax: +33 (0)145 004756
E-mail: ceramique@wanadoo.fr
Internet: Not available

GERMANY

Deutsche Keramische Gesellschaft e.V.

Email: info@dkg.de
Internet: www.dkg.de

Verband der Kermaischen Industrie e.V.

E-mail: info@keramverband.de
Internet: www.keramverband.de

GREECE

Ceram Hellas

Address: Rue Marni 8, GR-10433 Athens, Greece
Telephone: +30 (0)1 8221465
Fax: +30 (0)1 8837016
E-mail: Not available
Internet: Not available

ITALY

Andil Assolaterizi

E-mail: andil@laterizio.it
Internet: www.laterizio.it

Federceramica

Address: Via Giovanni da Procida 11, 20131 Milano, Italy
Telephone: +39 (0)2 34565399
Fax: +39 (0)2 34565317
E-mail: federceramica@federchimica.it
Internet: Not available

THE NETHERLANDS

Bond van Aannemers van Tegelwerken In Nederland (Bovatin)
(Union of Contractors of Tiling works in the Netherlands)
E-mail: bovatin@bovatin.etrade.nl
Internet: www.bovatin.nl

HIBIN Vereniging van handelaren in bouwmaterialen in Nederland
(Association of Traders in Building Materials in the Netherlands)
E-mail: info@hibin.nl
Internet: www.hibin.nl

PORTUGAL
Associaçao Portuguesa da Industria Ceramica (APICER)
E-mail: info@apicer.pt
Internet: www.apicer.pt

SPAIN
Asociación Española de Fabricantes de Azulejos y Pavimentos Cerámicos (ASCER)
Spanish Ceramic Tile Manufacturers' Association
Address: P.O. Box 1020, 12080 Castellon, Spain
Telephone: +34 (0)964 727200
Fax: +34 (0)964 727212
E-mail: global@ascer.es
Internet: www.ascer.es

Sociedad Española de Ceramica y Vidrio
Spanish Glass and Ceramic Society
E-mail: secv@icv.csic.es
Internet: www.secv.es

SWEDEN
Svenska Keraminstitutet (Swedish Ceramic Institute)
E-mail: info@sci.se
Internet: www.keram.se

UNITED KINGDOM
British Ceramic Confederation
Refractories Association of Great Britain
E-mail: bcc@ceramfed.co.uk
Internet: www.ceramfed.co.uk

APPENDIX 2.4 TRADE FAIR ORGANISERS

BELGIUM
Batibouw
Organiser: Internationale Jaarbeurs van Brussel
E-mail: info@batibouw.com
Internet: www.batibouw.com

FRANCE
Batimat
Organisers: Reed Expo
E-mail: info@batimat.com
Internet: www.batimat.com

GERMANY
BAU
Organiser: Münchener Messe- und Ausstellungsgesellschaft GmbH.
E-mail: info@bau-muenchen.de
Internet: www.bau-muenchen.de

DEUBAU
Organiser: Messe Essen GmbH.
E-mail: info@messe-essen.de
Internet: http://deubau.messe-essen.de

ISH International Trade Fair Sanitary, Heating, Clima
Organiser: Messe Frankfurt GmbH.
E-mail: info@messefrankfurt.com
Internet: www.messefrankfurt.com

DIY'TEC International Hardware Fair
Organizer: Messe- und Ausstellungsgesellschaft mbH Köln
E-mail: eisen-diytec@KoelnMesse.de
Internet: www.hardwarefair.de

ITALY
CERSAIE
Items: International Building Ceramics and Sanitary Fair
Location: Bologna
Organisation: Bolognafiere
Email: dir.gen@bolognafiere.it
Internet: www.cersaie.it

Mostra Convego/Expocomfort
Items: Trade fair for Sanitary, Heating, Airconditioning
Location: Milan
Organisation: Fiera di Milano
Email: mce@planet.it
Internet: http://mce.fmi.it

SPAIN

CEVISAMA

Items: International exhibition of ceramics, surface and facings for the building industry
Location: Valencia
Organisation: Feria Muestrario International de Valencia
E-mail: firvcia@mail.fira-valencia.es
Internet: www.feriavalencia.com/cevisama

THE NETHERLANDS

Nederlandse Bouwvakbeurs

Organizers: Prins Bernhardhoeve
E-mail: info@pbh.nl
Internet: www.bouwvakbeurs.pbh.nl

UNITED KINGDOM

Interbuild / International Building and Construction Exhibition

Organisers: National Exhibition Centre Birmingham
Email: Natalee.White@interbuild.co.uk
Internet: www.interbuild.co.uk

APPENDIX 2.5 TRADE PRESS

BELGIUM

Bouwkunde / Bâtiment

Address: Rue Jorez 21, 1070 Brussels, Belgium
Telephone: +32 (0)2 5230190
Fax: +32 (0)2 5230355
Email: francoise.sacchi@benefalux.be
Internet: Not available

FRANCE

L'Installateur

Address: 6, passage Tenaille, 75014 Paris, France
Telephone: +33 (0)145 403148
Fax: +33 (0)140 413149
Email: naudin@ediba.fr
Internet: Not available

Market

Address: 96, Rue de la Victoire, 75009 Paris, France
Telephone: +33 (0)142 819318
Fax: +33 (0)142 803061
Email: journal.market@wanadoo.fr
Internet: Not available

GERMANY

Boden Wand Decke, Holzmannverlag

Email: stefan.heinze@holzmannverlag.de
Internet: www.handwerk-info.de

BW Bauwirtschaft

Address: Kurfustenstrasse 29, 10785 Berlin, Germany
Telephone: +49 (0)30 212 98992
Fax: +49 (0)30 212 98999
Email: info@bauverlag.de
Internet: www.bauverlag.de

DB - Deutsche Bauzeitung

Email: db@dva.de
Internet: www.db.bauzeitung.de

DIY in Europe

Email: sh@daehne.de
Internet: www.diyonline.de

Haus & Wohnung

Email: hw.redaktion@hussberlin.de,
Internet: www.h-u-w.de

THE NETHERLANDS

Redaktie COBOUW

Email: cobouw@wkth.nl
Internet: www.cobouw.nl

Vloertechnisch Magazine (VTM)

E-mail: wijlvak@iae.nl
Internet: www.wijlhuizen.com

UNITED KINGDOM

British Ceramic Society Publications - British Ceramic Society

Email: orders@materials.org.uk
Internet: www.materials.org.uk

Ceramics International, Journal of the European Ceramic Society

Email: j.cross@elsevier.co.uk
Internet: www.elsevier.nl/locate/ceramint

DIY Week

Email: sarah.mccarthy@fav-house.com
Internet: not available

Global Ceramic Review

Address: 44, Kingsway, Stoke-on-Trent, Staffordshire ST4 1JH, United Kingdom
Telephone: +44 (0)17 82411433
Fax: +44 (0)17 82747061
Email: charles.wallin@btclick.com
Internet: Not available

APPENDIX 2.6 OTHER USEFUL ADDRESSES

AMA Research are specialist market research providers for the UK Building and Home Improvement products industry. This web site contains details of all AMA Research Reports and additional Market Research services.

AMA Research
E-mail: sales@amaresearch.co.uk
Internet: www.amaresearch.co.uk

Euromonitor International is a global provider of market information.

Euromonitor Customer Service
E-mail: info@euromonitor.com
Internet: http://www.euromonitor.com
The “Nationaal Dubo Centrum” aims to contribute to the establishment of sustainable building in the building industry through transfer of knowledge. Information on Environment Relevant Product Information (MRPI) can also be obtained at the Nationaal Dubo Centrum.

Nationaal Dubo Centrum
E-mail: infodesk@dubo-centrum.nl
Internet: http://www.dubo-centrum.nl

Information about Environment Relevant Product Information (MRPI) regulations can be obtained at this foundation.

Stichting MRPI
E-mail: info@mrpi.nl
Internet: www.mrpi.nl

Duales System Deutschland AG aims to prevent and recycle sales packaging through Green Dot licensing system. Information on how to join the Dual System and to get licensed for the use of the Green Dot symbol can be obtained at this organization.

Der Grüne Punkt - Duales System Deutschland AG
E-mail: pressestelle@gruener-punkt.de
Internet: www.gruener-punkt.de

APPENDIX 3 LIST OF DEVELOPING COUNTRIES

Please note that the OECD list of developing countries, as applied in this market survey, may include countries that are usually not considered as developing countries .

Afghanistan
Albania
Algeria
Angola
Anguilla
Antigua and Barbuda
Argentina
Armenia
Azerbaijan
Bahrain
Bangladesh
Barbados
Belize
Benin
Bhutan
Bolivia
Bosnia & Herzegovina
Botswana
Brazil
Burkina Faso
Burundi
Cambodia
Cameroon
Cape Verde
Central African rep.
Chad
Chile
China
Colombia
Comoros
Congo Dem. Rep.
Congo Rep.
Cook Islands
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Djibouti
Dominica
Dominican republic
Ecuador
East Timor
Egypt
El Salvador
Georgia
Ghana
Grenada
Guatemala
Guinea
Guinea-Bissau
Guyana
Haiti
Honduras
India
Indonesia
Iran
Iraq
Jamaica
Jordan
Kazakhstan
Kenya
Kiribati
Korea, rep of
Kyrghyz Rep.
Laos
Lebanon
Lesotho
Liberia
Macedonia
Madagascar
Malawi
Malaysia
Maldives
Mali
Marshall Islands
Mauritania
Mauritius
Mayotte
Mexico
Micronesia, Fed. States
Moldova
Mongolia
Montserrat
Morocco
Mozambique
Myanmar
Namibia
Nauru
Pakistan
Palau Islands
Palestinian Admin. Areas
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Rwanda
Samoa
São Tomé & Principe
Saudi Arabia
Senegal
Serbia and Montenegro
Seychelles
Sierra Leone
Solomon Islands
Somalia
South Africa
Sri Lanka
St. Helena
St. Kitts-Nevis
St. Lucia
St. Vincent and Grenadines
Sudan
Surinam
Swaziland
Syria
Tajikistan
Tanzania
Thailand
Togo
Tokelau
Tonga
Trinidad & Tobago
Tunisia
Turkey
Turkmenistan
Turks & Caicos Islands
Tuvalu
Uganda
Uruguay
Uzbekistan
Vanuatu

Equatorial Guinea	Nepal	Venezuela
Eritrea	Nicaragua	Vietnam
Ethiopia	Niger	Wallis & Futuna
Fiji	Nigeria	Yemen
Gabon	Niue	Zambia
Gambia	Oman	Zimbabwe

January 2003

Note: Eurostat figures do not include figures of Cook Islands, Niue, St. Kitts-Nevis, Timor and Tokelau

APPENDIX 4 USEFUL INTERNET SITES

Standards and regulations
http://www.ear.nl
European Authorised Representative: Legal experts for entering the EU market.

http://www.wssn.net
World Standard Service is a network of standards organisations.

European importers / producers / traders
www.europages.com
Contact details and information on the activities of importers.

www.roca.es
Provides information about this Spanish producer of sanitary ware and ceramic tiles.

www.sanitec.com
Provides information about this producer of sanitary ware.

www.catalog.kohler.com
Provides an extensive product catalogue for sanitary ware. Including detailed product information for all kinds of sanitary ware.

Magazines
www.baustoffmarkt-online.de
General information on the building trade in Germany (in German).

www.sanipro.nl
Free trade magazine for sanitary and tiles branch (in Dutch).

Other
www.europa.eu.int/comm/enterprise/construction/index.htm
Internet site of the European Commission focussing on construction policy.

www.ceramic-tile.com
US web site with international information on tiles.

www.bathweb.com/
BathWeb is dedicated to bathroom manufacturers, bathroom cabinet dealers, bathroom designers and re-modellers, bathroom design software, bathroom specialists, for the bathroom industry and the consumer in need of information.

www.ascer.es
A site concerning the whole Spanish ceramic tile industry with information on manufacturers, trade fairs, products, organisations and statistics.

www.italytile.com
The site of the Ceramic Tile Department of the Italian Trade Commission in New York, featuring abundant info on the Italian tile market.

www.euroconstruct.org
Research group for the construction business, which organises a twice yearly international conference on developments in the sector.

EU – LDC co-operation
www.eu-ldc.org
This web-site provides information, analyses, and views on trade, investment and aid between the European Union, its member states (EU) and developing countries (LDC).